# Online Appendix: Network Proximity and Business Practices in African Manufacturing

## Marcel Fafchamps and Måns Söderbom

**Document description:** This appendix contains additional material for the study "Network Proximity and Business Practices in African Manufacturing" by Marcel Fafchamps and Måns Söderbom.

**Table of Contents**:

# Section 1: Additional material: Covariance in profits and bootstrapped standard errors

## 1.1 Covariance in profits

It is possible to investigate payoffs directly, e.g., firm performance and growth. To illustrate, let us replace $y_i$ in eq. (2.1) in the paper by its optimal value from (2.2) and let us use (2.3) to solve for $y$. We obtain:[1]

$$\pi_i = \frac{1}{2}\alpha_i^2 + (\rho\alpha_i + \gamma)g_i(I - \rho G)^{-1}A + \frac{1}{2}\rho^2\left(g_i(I - \rho G)^{-1}A\right)^2$$

If $\rho = 0$ this simplifies to:

$$\pi_i = \frac{1}{2}\alpha_i^2 + \gamma g_i A$$

Let $\tilde{\pi} \equiv \pi - E[\pi] = \frac{1}{2}\widetilde{\alpha_i^2} + \gamma g_i\bar{A}$ where $\widetilde{\alpha_i^2} \equiv \alpha_i^2 - Var(\alpha) - E(\alpha)^2$. The covariance matrix of $\pi$ is:

$$
\begin{aligned}
Cov(\tilde{\pi}_i, \tilde{\pi}_j|\rho = 0) &= E[(\frac{1}{2}\widetilde{\alpha_i^2} + \gamma g_i\bar{A})(\frac{1}{2}\widetilde{\alpha_j^2} + \gamma g_j\bar{A})'] \\
&= E\left[\frac{1}{4}\widetilde{\alpha_i^2}\widetilde{\alpha_j^2} + \frac{\gamma}{2}\widetilde{\alpha_i^2}g_j\bar{A} + \frac{\gamma}{2}\widetilde{\alpha_j^2}g_i\bar{A} + \gamma^2 g_i\bar{A}\bar{A}'g_j\right]
\end{aligned}
$$

which shows that if $\gamma \neq 0$, that is, if externalities are present, firm performance is correlated across connected firms.[2] If $\gamma < 0$, the correlation can be negative.[3] Positive externalities thus manifest themselves as proximate firms having similar performance while dissimilar performance is associated with negative externalities. This equation also shows that, even in the absence of externalities, firm performance may be similar because of correlation in firm-specific conditions $\alpha_i$ and $\alpha_j$ – the so-called contextual effects. It is the potential presence of these contextual effects that precludes the interpretation of correlated firm performance as evidence of externalities. When strategic complements or substitutes are present, the expression for the covariance of $\pi$ becomes more complicated but the intuition remains similar: profits may be correlated, positively or negatively, across proximate firms.

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[1]
$$
\begin{aligned}
\pi_i &= \alpha_i(\alpha_i + \rho g_i y) + \gamma g_i y + \rho(\alpha_i + \rho g_i y)g_i y - \frac{1}{2}(\alpha_i + \rho g_i y)^2 \\
&= \frac{1}{2}\alpha_i^2 + (\rho\alpha_i + \gamma)g_i y + \frac{1}{2}\rho^2(g_i y)^2
\end{aligned}
$$

[2] Even if $E[\tilde{\alpha}_i\tilde{\alpha}_j] = 0$, the $E[\widetilde{\alpha_i^2}g_j\bar{A}]$ terms do not vanish whenever $\alpha_i$ appears in $g_j A$, that is, whenever $i$ is a neighbor of $j$.

[3] For instance, if $\alpha_i$ and $\alpha_j$ are independent and $g_i\bar{A} = \tilde{\alpha}_j$ and $g_j\bar{A} = \tilde{\alpha}_i$ ($i$ and $j$ are mutual neighbors) then $Cov(\tilde{\pi}_i, \tilde{\pi}_j|\rho = 0) = \gamma E[\widetilde{\alpha_i^2}\tilde{\alpha}_i]$, which is negative iff $\gamma < 0$.

## 1.2 Bootstrapped standard errors

Dyadic observations are typically not independent since residual $u_{ij}$ is likely to be correlated with $u_{ik}$. This complicates the computation of standard errors. In particular, robust standard errors must correct for cross-observation correlation in the error terms involving the same enterprises. To obtain consistent standard errors, we use bootstrapping, implemented as follows:

(i)     Draw a random sample s of n firms from the firm-level dataset with replacement;

(ii)    For this artificial sample of n firms, construct the corresponding n(n-1) dyadic dependent and independent variables;

(iii)   Estimate the regression for this sample and store the resulting parameter estimates;

(iv)    After repeating the process (i)-(iii) *J* times, use the standard deviations of the estimated parameters as estimates of the standard errors.

# Section 2: Names and definitions of variables used in the empirical analysis

**Variable names for dependent variables***

| Variable name | Description | Code |
|---|---|---|
| newprod | Did you introduce a new product last year? | 0 = no, 1 = yes |
| invdum | Did you invest in plant or machinery last year? | 0 = no, 1 = yes |
| anyrd | Does the firm do any research and development? | 0 = no, 1 = yes |
| it | IT usage | 0 = nothing, 1=email, 2=website |
| pcf_tech | First common factor for previous four variables | |
| suprat | Ratio of non-production workers to total employment | Percentage; see note (b) |
| htrain | Any in-house training of staff last year? | 0 = no, 1 = yes |
| ftrain | Staff sent to formal training course last year? | 0 = no, 1 = yes |
| pcf_hk | First common factor for previous three variables | |
| directimport | Any direct imports of inputs? | 0 = no, 1 = yes |
| sellcredit | Do you sell on credit? | 0 = no, 1 = yes |
| subcont | Does firm sub-contract production? | 0 = no, 1 = yes |
| pcf_cont | First common factor for previous three variables | |
| reput_D1 | If you have a dispute with a customer, will other customers find out? | 0 = no, 1 = maybe, 2 = yes |
| reputD_2 | If another firm has a dispute with a customer, will you refuse to deal with that customer? | 0 = no, 1 = maybe, 2 = yes |
| reputD_3 | If you have a dispute with a dispute, will other firms refuse to deal with that customer? | 0 = no, 1 = maybe, 2 = yes |
| reputD_4 | If you have a dispute with a supplier, will other suppliers find out? | 0 = no, 1 = maybe, 2 = yes |
| reputD_5 | If you have a dispute with a supplier, will other firms refuse to deal with that supplier? | 0 = no, 1 = maybe, 2 = yes |
| pcf_repD | First common factor for previous five variables | |
| lvademp | Log( value-added per employee) | Log USD |
| dlemp | Employment growth last 3 years | Dlog |
| growth1 | Revenue growth last year | Dlog |
| growth3 | Revenue growth last 3 years | Dlog |
| pcf_perf | First common factor for previous four variables | |
| web | Does the firm use the web? | 0 = no, 1 = yes |
| email | Does the firm use email? | 0 = no, 1 = yes |
| reput_1 | If you have a dispute with a customer, will other customers find out? | 0 = no, 1 = yes |
| reput_2 | If another firm has a dispute with a customer, will you refuse to deal with that customer? | 0 = no, 1 = yes |
| reput_3 | If you have a dispute with a dispute, will other firms refuse to deal with that customer? | 0 = no, 1 = yes |
| reput_4 | If you have a dispute with a supplier, will other suppliers find out? | 0 = no, 1 = yes |
| reput_5 | If you have a dispute with a supplier, will other firms refuse to deal with that supplier? | 0 = no, 1 = yes |
| pcf_rep | First common factor for previous five variables | |

* Note: In all regressions these variables are defined as absolute differences
across any two firms.

**Variable names and definitions for explanatory variables**

| | |
|---|---|
| supbuy | i & j trade with each other |
| samesup | i & j have a common supplier |
| samecus | i & j have a common client |
| same_sec | i & j are in the same sector |
| ldist | log distance between i & j |
| ad_fmage | Absolute difference firm age |
| ad_meduc | Absolute difference managers' education |
| ad_mexper | Absolute difference managers' experience |
| ad_mfemale | Absolute difference managers' genders |
| ad_lemp | Absolute difference log employment |
| anylink | Dummy = 1 if supbuy=1, samesup=1 or samecus=1 |
| secdist | Interaction: same_sec x ldist |
| seclink | Interaction: same_sec x anylink |
| sizdist | Interaction: similar size x ldist |
| sizlink | Interaction: similar size x anylink |
| sametown | Dummy = 1 if i and j located in same town |

# Section 3: Maps of Survey Locations
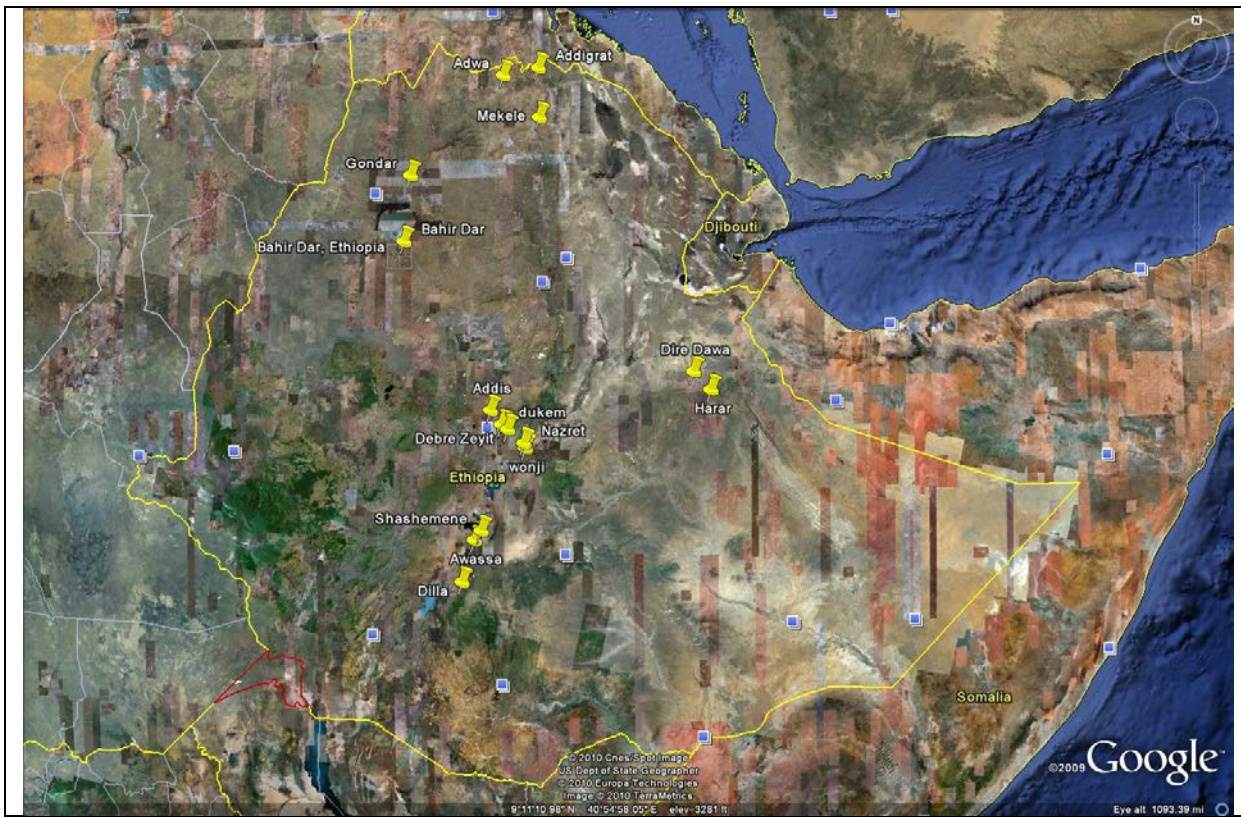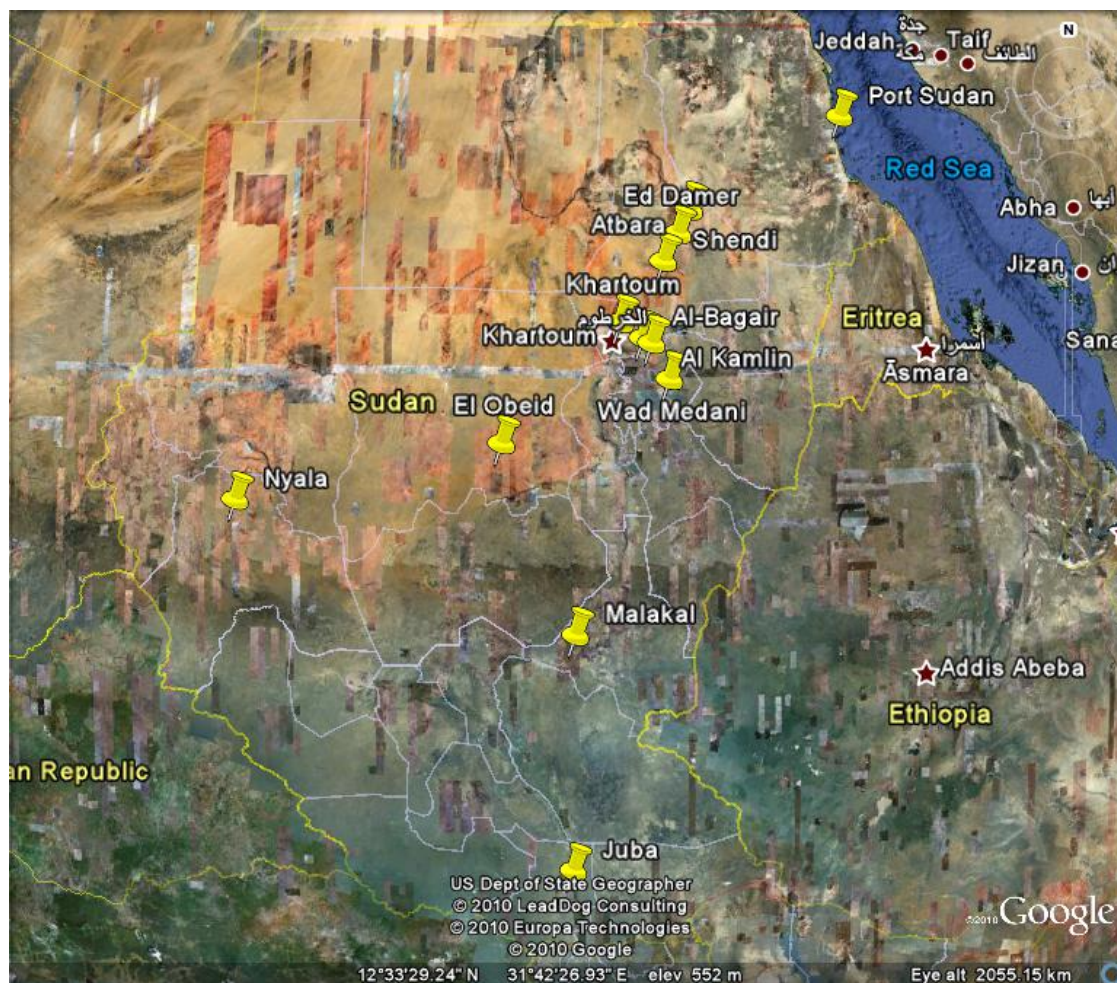
**Figure S.3.1. Survey locations in Ethiopia**

**Figure S.3.2. Survey locations in Sudan**

# Section 4: Dyadic regressions modeling firm performance and growth

| | Ethiopia | | | | | Sudan | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] | [10] |
| | Log( value-added per employee) | Labor growth last 3 years | Revenue growth last year | Revenue growth last 3 years | First common factor | Log( value-added per employee) | Labor growth last 3 years | Revenue growth last year | Revenue growth last 3 years | First common factor |
| | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ | $\|y_i-y_j\|$ |
| i & j trade with each other | -0.0758 | -0.0850 | -0.0437 | 0.338 | 0.165 | | -0.534** | -0.413 | 1.652 | |
| | (0.284) | (0.130) | (0.121) | (0.657) | (0.424) | | (0.221) | (0.676) | (2.483) | |
| i & j have common supplier | -0.106 | 0.0152 | 0.246** | 0.00522 | 0.109 | -1.651*** | -0.277** | -0.904*** | -0.711** | -0.480** |
| | (0.111) | (0.0668) | (0.113) | (0.129) | (0.142) | (0.453) | (0.122) | (0.337) | (0.350) | (0.203) |
| i & j have common client | -0.182 | -0.0136 | 0.195 | -0.0119 | 0.113 | -0.986 | 0.0900 | -0.586*** | 0.307 | -0.00893 |
| | (0.136) | (0.0929) | (0.151) | (0.202) | (0.195) | (0.660) | (0.139) | (0.203) | (0.443) | (0.216) |
| log Distance btw i & j | -0.0247** | 0.0139 | 0.0179* | 0.0193 | 0.0235 | -0.0612 | -0.0173 | -0.0515** | -0.0515 | -0.0103 |
| | (0.0122) | (0.0106) | (0.0108) | (0.0168) | (0.0149) | (0.0386) | (0.0111) | (0.0240) | (0.0346) | (0.0187) |
| i & j belong to same sector | -0.0819* | 0.00508 | -0.00350 | -0.0243 | -0.0130 | -0.135 | -0.0555 | -0.0465 | -0.0624 | -0.0756 |
| | (0.0447) | (0.0247) | (0.0185) | (0.0515) | (0.0349) | (0.156) | (0.0394) | (0.0680) | (0.133) | (0.0869) |
| Abs diff firm age | -0.00314 | 0.00267 | -0.00260*** | -0.00564*** | -0.00397*** | -0.00493 | 0.00112 | 0.00862 | 0.00458 | 0.00602 |
| | (0.00200) | (0.00347) | (0.000730) | (0.00161) | (0.00146) | (0.00781) | (0.00216) | (0.00651) | (0.00746) | (0.00459) |
| Abs diff managers' education | -0.00722 | 0.00380 | -0.00917 | 0.00885 | -0.0164 | 0.0460 | -0.00466 | -0.0333 | -0.0201 | 0.0114 |
| | (0.0280) | (0.0117) | (0.0116) | (0.0310) | (0.0174) | (0.0472) | (0.0116) | (0.0228) | (0.0268) | (0.0251) |
| Abs diff managers' experience | 0.000671 | 7.15e-06 | -0.00272 | -0.00171 | -0.00410 | -0.00732 | 0.000766 | 0.00303 | -0.00385 | -0.00186 |
| | (0.00321) | (0.00226) | (0.00204) | (0.00453) | (0.00284) | (0.00578) | (0.00132) | (0.00695) | (0.00580) | (0.00313) |
| Owners' gender differ | 0.121 | 0.103 | -0.0813** | -0.220*** | -0.110* | 0.375 | -0.00723 | -0.161 | 0.0558 | -0.138 |
| | (0.0932) | (0.0669) | (0.0389) | (0.0686) | (0.0582) | (0.582) | (0.0614) | (0.134) | (0.275) | (0.0960) |
| Abs diff log employment | 0.0786** | 0.00792 | -0.0257** | -0.0375 | -0.0235 | 0.00718 | 0.0654** | 0.0906 | 0.102 | 0.0611 |
| | (0.0311) | (0.0242) | (0.0117) | (0.0360) | (0.0223) | (0.110) | (0.0258) | (0.0709) | (0.114) | (0.0600) |

*Note*: The table shows OLS results. A constant is included in all specifications. The numbers in ( ) are bootstrapped standard errors that are robust to heteroskedasticity and cross-observation correlation in the error terms involving the same firms. Statistical significance at the 10%, 5% and 1% level is indicated by *,** and ***, respectively.

# SECTION 5

# Additional regression results: Extensions and robustness checks

The regression tables in this Section of the online appendix shows OLS results. In these tables, the numbers in ( ) are bootstrapped standard errors that are robust to heteroskedasticity and cross-observation correlation in the error terms involving the same firms. Statistical significance at the 10%, 5% and 1% level is indicated by *,** and ***, respectively.

**Tables and Specifications:**

*Part I: Results for Ethiopia*

Table S1.E: Results for specifications with dummy variables for web, email and perceived consequences of disputes

Table S2.E: Results for the baseline specification with interaction terms (same sector x network variables) added

Table S3.E: Results for the baseline specification with interaction terms (similar firm size x network variables) added

Table S4.E: Results for the baseline specification with a dummy variable for location in the same town added.

Table S5.E: Results for an alternative specification in which a single dummy variable for connectedness (*anylink*) replaces the three trading relationship dummies in the baseline specification

Table S6.E: Results for the baseline specification with the geographical distance variable omitted


*Part II: Results for Sudan*

Table S1.S: Results for specifications with dummy variables for web, email and perceived consequences of disputes

Table S2.S: Results for the baseline specification with interaction terms (same sector x network variables) added

Table S3.S: Results for the baseline specification with interaction terms (similar firm size x network variables) added

Table S4.S: Results for the baseline specification with a dummy variable for location in the same town added.

Table S5.S: Results for an alternative specification in which a single dummy variable for connectedness (*anylink*) replaces the three trading relationship dummies in the baseline specification

Table S6.S: Results for the baseline specification with the geographical distance variable omitted

# Part I: Results for Ethiopia

**Table S1.E: Results for specifications with dummy variables for web, email and perceived consequences of disputes**

| VARIABLES | (1)<br>Web | (2)<br>email | (3)<br>reput_D1 | (4)<br>reputD_2 | (5)<br>reputD_3 | (6)<br>reputD_4 | (7)<br>reputD_5 | (8)<br>pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0550 | -0.125 | -0.0650 | 0.00583 | -0.0266 | 0.0706 | -0.0304 | -0.107 |
|  | (0.113) | (0.118) | (0.121) | (0.0965) | (0.0935) | (0.130) | (0.0832) | (0.180) |
| samesup | -0.0689* | 0.00586 | -0.0190 | 0.0244 | -0.0518 | -0.0270 | -0.0229 | -0.0649 |
|  | (0.0392) | (0.0524) | (0.0484) | (0.0464) | (0.0434) | (0.0486) | (0.0447) | (0.101) |
| samecus | 0.123* | -0.0631 | 0.0385 | 0.00236 | -0.0690 | 0.000110 | 0.0355 | 0.0340 |
|  | (0.0676) | (0.0733) | (0.0403) | (0.0684) | (0.0560) | (0.0499) | (0.0741) | (0.147) |
| same_sec | -0.0402* | -0.0165 | -0.00501 | -0.00482 | 0.00721 | -0.00622 | 0.00769 | -0.000615 |
|  | (0.0205) | (0.0146) | (0.0141) | (0.0122) | (0.0103) | (0.0131) | (0.00907) | (0.0247) |
| ldist | -0.0251*** | 0.00777 | 0.00192 | -0.0107*** | -0.0100** | -0.000809 | -0.0157*** | -0.0310*** |
|  | (0.00299) | (0.00656) | (0.00201) | (0.00316) | (0.00469) | (0.00224) | (0.00432) | (0.00890) |
| ad_fmage | -0.000781 | -0.00109** | -6.10e-05 | -0.000841 | -0.00204*** | 0.000619 | -0.000481 | -0.00268 |
|  | (0.00110) | (0.000534) | (0.000213) | (0.000912) | (0.000638) | (0.000539) | (0.000841) | (0.00177) |
| ad_meduc | -0.00391 | 0.0684*** | -0.00364 | -0.00498 | -0.0127* | -0.000439 | -0.00838 | -0.0173 |
|  | (0.0138) | (0.0200) | (0.00223) | (0.00639) | (0.00771) | (0.00543) | (0.00636) | (0.0139) |
| ad_mexper | -0.000455 | -0.000425 | -0.000157 | -0.000943 | 0.00174 | 0.000806 | 0.00176 | 0.00239 |
|  | (0.00122) | (0.000638) | (0.000390) | (0.00160) | (0.00177) | (0.00114) | (0.00209) | (0.00426) |
| ad_mfemale | 0.0465 | 0.0439** | -0.00101 | 0.00926 | 0.0263 | 0.00943 | 0.0201 | 0.0209 |
|  | (0.0332) | (0.0202) | (0.00737) | (0.0316) | (0.0361) | (0.0183) | (0.0357) | (0.0729) |
| ad_lemp | 0.0766*** | 0.113*** | 0.00243 | -0.00226 | 0.00724 | 0.00813 | 0.00801 | 0.0109 |
|  | (0.0194) | (0.0150) | (0.00408) | (0.00951) | (0.0103) | (0.00889) | (0.0114) | (0.0214) |
| Constant | 0.265*** | 0.167*** | 0.497*** | 0.407*** | 0.283*** | 0.446*** | 0.246*** | 1.135*** |
|  | (0.0404) | (0.0420) | (0.0133) | (0.0401) | (0.0425) | (0.0281) | (0.0431) | (0.0996) |

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

**Table S2.E: Results for the baseline specification with interaction terms (same sector x network variables) added**

| VARIABLES | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|---|---|---|---|---|---|---|---|---|
| | newprod | invdum | anyrd | it | pcf_tech | suprat | htrain | ftrain |
| supbuy | 0.0249 | -0.0687 | 0.0572 | -0.0735 | 0.0295 | -0.0283 | 0.0631 | -0.100 |
| | (0.136) | (0.129) | (0.114) | (0.199) | (0.252) | (0.0368) | (0.117) | (0.138) |
| samesup | -0.0493 | -0.0307 | -0.00481 | -0.0674 | -0.0857 | 0.00506 | 0.0207 | -0.0602 |
| | (0.0666) | (0.0773) | (0.0563) | (0.0957) | (0.115) | (0.0201) | (0.0654) | (0.0671) |
| samecus | 0.0460 | -0.0417 | -0.0198 | 0.0581 | -0.105 | 0.0109 | 0.0253 | 0.0795 |
| | (0.0666) | (0.0769) | (0.0739) | (0.106) | (0.108) | (0.0233) | (0.0807) | (0.0725) |
| same_sec | -0.0452* | -0.0402 | -0.0229 | -0.0522 | -0.109** | -0.00294 | -0.0198 | -0.0690** |
| | (0.0273) | (0.0297) | (0.0212) | (0.0340) | (0.0490) | (0.00822) | (0.0154) | (0.0291) |
| ldist | -0.00553* | -0.000262 | -0.0104* | -0.0170** | -0.0158* | -0.00195 | -0.0169*** | -0.0176*** |
| | (0.00288) | (0.00201) | (0.00563) | (0.00698) | (0.00926) | (0.00157) | (0.00309) | (0.00274) |
| ad_fmage | -0.000611 | -0.000780*** | -0.001000 | -0.00187 | -0.00322* | -0.000149 | -0.000206 | 0.00180 |
| | (0.000574) | (0.000272) | (0.00105) | (0.00131) | (0.00173) | (0.000335) | (0.000720) | (0.00114) |
| ad_meduc | 0.00864 | 0.0141 | -0.00997 | 0.0644** | 0.0475** | -0.00392* | 0.0112 | 0.00648 |
| | (0.00906) | (0.00955) | (0.00833) | (0.0286) | (0.0226) | (0.00237) | (0.0184) | (0.0160) |
| ad_mexper | -0.000761 | 0.000113 | -0.000573 | -0.000880 | -0.00312* | 0.000214 | -0.00167** | -0.000962 |
| | (0.000896) | (0.000386) | (0.00132) | (0.00151) | (0.00169) | (0.000478) | (0.000802) | (0.000839) |
| ad_mfemale | -0.00138 | 0.000628 | -0.00547 | 0.0904** | 0.00925 | 0.00769 | 0.0182 | -0.0118 |
| | (0.0185) | (0.00597) | (0.0285) | (0.0455) | (0.0482) | (0.0111) | (0.0258) | (0.0178) |
| ad_lemp | 0.00630 | 0.0218** | 0.0304** | 0.189*** | 0.121*** | 0.0110** | 0.0876*** | 0.0989*** |
| | (0.00943) | (0.00903) | (0.0137) | (0.0264) | (0.0298) | (0.00490) | (0.0155) | (0.0143) |
| secdist | 0.00270 | -0.00365 | 1.18e-05 | -0.00101 | 0.00150 | 6.95e-05 | 0.000434 | 0.00819** |
| | (0.00473) | (0.00472) | (0.00335) | (0.00484) | (0.00723) | (0.00140) | (0.00291) | (0.00403) |
| seclink | 0.0459 | 0.0349 | 0.0684 | 0.00469 | 0.0899 | 0.0116 | 0.0317 | 0.106 |
| | (0.0721) | (0.0839) | (0.0560) | (0.116) | (0.128) | (0.0185) | (0.0767) | (0.0700) |
| Constant | 0.486*** | 0.471*** | 0.264*** | 0.430*** | 1.007*** | 0.172*** | 0.323*** | 0.285*** |
| | (0.0190) | (0.0220) | (0.0424) | (0.0594) | (0.0721) | (0.0135) | (0.0362) | (0.0363) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S2.E continued**

| VARIABLES | (9) | (10) | (11) | (12) | (13) | (14) | (15) | (16) |
|---|---|---|---|---|---|---|---|---|
| | pcf_hk | directimport | sellcredit | subcont | pcf_cont | reput_1 | reput_2 | reput_3 |
| supbuy | -0.152 | 0.0491 | 0.0313 | 0.0767 | 0.110 | -0.0726 | 0.0131 | -0.0891 |
| | (0.237) | (0.124) | (0.107) | (0.116) | (0.258) | (0.209) | (0.207) | (0.173) |
| samesup | -0.0459 | 0.0147 | 0.0554 | 0.0322 | -0.121 | 0.137 | 0.00529 | -0.113 |
| | (0.115) | (0.0556) | (0.0588) | (0.0594) | (0.122) | (0.131) | (0.114) | (0.0867) |
| samecus | 0.132 | 0.102 | 0.0231 | 0.0498 | 0.179 | 0.137 | 0.0147 | -0.0886 |
| | (0.131) | (0.0628) | (0.0566) | (0.0726) | (0.145) | (0.0989) | (0.139) | (0.102) |
| same_sec | -0.0846** | -0.0578* | 0.00718 | -0.00606 | -0.0531 | -0.0331 | -0.00254 | 0.0149 |
| | (0.0362) | (0.0297) | (0.0134) | (0.0173) | (0.0415) | (0.0473) | (0.0363) | (0.0311) |
| ldist | -0.0272*** | -0.0134** | 0.00116 | 0.00511 | -0.0101 | 0.00928 | -0.0189*** | -0.0162*** |
| | (0.00821) | (0.00593) | (0.00178) | (0.00699) | (0.00825) | (0.00624) | (0.00637) | (0.00545) |
| ad_fmage | 0.00225 | -0.000429 | 0.000481 | -0.00206*** | -0.00417*** | -0.000194 | -0.000751 | -0.00165 |
| | (0.00210) | (0.000803) | (0.000557) | (0.000636) | (0.00145) | (0.000405) | (0.00181) | (0.00109) |
| ad_meduc | 0.0328 | 0.0300 | 0.000648 | -0.0205*** | 0.0373 | -0.00390 | -0.00794 | -0.00937 |
| | (0.0351) | (0.0199) | (0.00499) | (0.00747) | (0.0279) | (0.00756) | (0.0117) | (0.0110) |
| ad_mexper | -0.000825 | -0.00152* | 0.000481 | -0.00177 | 0.00456** | 0.000127 | -0.00130 | 0.00310 |
| | (0.00165) | (0.000778) | (0.000642) | (0.00120) | (0.00210) | (0.000931) | (0.00303) | (0.00264) |
| ad_mfemale | -0.00505 | 0.0457 | 0.00375 | 0.0236 | 0.0402 | -0.00813 | -0.00607 | 0.0601 |
| | (0.0404) | (0.0297) | (0.00949) | (0.0306) | (0.0420) | (0.0130) | (0.0558) | (0.0550) |
| ad_lemp | 0.230*** | 0.132*** | 0.00247 | 0.0151 | 0.138*** | 0.00234 | -0.00421 | 0.00890 |
| | (0.0309) | (0.0150) | (0.00472) | (0.0132) | (0.0312) | (0.00657) | (0.0180) | (0.0150) |
| secdist | 0.00744 | 0.00414 | -0.00510 | 0.000705 | 0.00357 | 0.00620 | -0.00316 | -0.00318 |
| | (0.00607) | (0.00453) | (0.00314) | (0.00335) | (0.00692) | (0.00736) | (0.00650) | (0.00552) |
| seclink | 0.186 | -0.0398 | -0.0823 | 0.0592 | 0.0105 | -0.198 | 0.0323 | 0.0660 |
| | (0.121) | (0.0623) | (0.0629) | (0.0639) | (0.127) | (0.135) | (0.137) | (0.103) |
| Constant | 0.709*** | 0.222*** | 0.479*** | 0.227*** | 0.862*** | 0.956*** | 0.836*** | 0.722*** |
| | (0.0722) | (0.0437) | (0.0200) | (0.0457) | (0.0627) | (0.0354) | (0.0778) | (0.0575) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S2.E continued**

| VARIABLES | (17) reput_4 | (18) reput_5 | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.120 | 0.0127 | -0.122 | -0.113 | -0.144 | -0.181 | 0.229 | -0.00534 |
| | (0.218) | (0.177) | (0.156) | (0.302) | (0.135) | (0.162) | (0.632) | (0.437) |
| samesup | -0.0396 | -0.0535 | -0.0543 | -0.154 | -0.0628 | 0.0612 | -0.140 | -0.119 |
| | (0.109) | (0.124) | (0.112) | (0.155) | (0.0912) | (0.122) | (0.238) | (0.203) |
| samecus | 0.00614 | 0.0838 | 0.0223 | -0.221 | -0.0598 | 0.0908 | -0.0925 | -0.0228 |
| | (0.105) | (0.118) | (0.125) | (0.160) | (0.113) | (0.146) | (0.206) | (0.179) |
| same_sec | -0.000247 | -0.00125 | 0.0131 | -0.153* | 0.0164 | 0.0199 | 0.0360 | 0.0258 |
| | (0.0289) | (0.0255) | (0.0398) | (0.0793) | (0.0337) | (0.0251) | (0.0798) | (0.0637) |
| ldist | 0.0117** | -0.0262*** | -0.0135* | -0.0290** | 0.0147 | 0.0196* | 0.0233 | 0.0263* |
| | (0.00568) | (0.00539) | (0.00787) | (0.0139) | (0.0106) | (0.0113) | (0.0163) | (0.0149) |
| ad_fmage | 0.000652 | 6.06e-05 | -0.000896 | -0.00314 | 0.00268 | -0.00258*** | -0.00563*** | -0.00396*** |
| | (0.000792) | (0.00149) | (0.00168) | (0.00201) | (0.00347) | (0.000727) | (0.00161) | (0.00145) |
| ad_meduc | -0.00515 | -0.00804 | -0.00486 | -0.00711 | 0.00370 | -0.00932 | 0.00860 | -0.0167 |
| | (0.00883) | (0.0112) | (0.0133) | (0.0280) | (0.0117) | (0.0116) | (0.0311) | (0.0174) |
| ad_mexper | 0.00114 | 0.00286 | 0.00291 | 0.000676 | 1.61e-05 | -0.00271 | -0.00168 | -0.00409 |
| | (0.00151) | (0.00312) | (0.00340) | (0.00321) | (0.00226) | (0.00204) | (0.00453) | (0.00283) |
| ad_mfemale | 0.0184 | 0.0541 | 0.00686 | 0.122 | 0.103 | -0.0810** | -0.220*** | -0.109* |
| | (0.0299) | (0.0597) | (0.0613) | (0.0932) | (0.0670) | (0.0389) | (0.0687) | (0.0582) |
| ad_lemp | 0.0151 | 0.0102 | 0.00309 | 0.0789** | 0.00791 | -0.0257** | -0.0377 | -0.0235 |
| | (0.0133) | (0.0190) | (0.0164) | (0.0310) | (0.0242) | (0.0118) | (0.0361) | (0.0223) |
| secdist | -0.00441 | -0.00225 | -0.00607 | 0.0153 | -0.00289 | -0.00608 | -0.0142 | -0.00992 |
| | (0.00539) | (0.00537) | (0.00730) | (0.0140) | (0.00425) | (0.00623) | (0.0158) | (0.0141) |
| seclink | 0.00281 | 0.00342 | 0.0772 | 0.0856 | 0.103 | 0.239 | 0.182 | 0.309 |
| | (0.129) | (0.140) | (0.129) | (0.153) | (0.104) | (0.162) | (0.278) | (0.272) |
| Constant | 0.880*** | 0.669*** | 1.114*** | 1.434*** | 0.373*** | 0.618*** | 1.277*** | 1.085*** |
| | (0.0528) | (0.0639) | (0.0828) | (0.126) | (0.0738) | (0.0746) | (0.173) | (0.128) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

7

**Table S2.E continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0754 | -0.149 | -0.0249 | -0.00735 | -0.0531 | 0.0488 | -0.0320 | -0.128 |
| | (0.118) | (0.127) | (0.127) | (0.115) | (0.100) | (0.136) | (0.0982) | (0.202) |
| samesup | -0.0418 | -0.0256 | 0.0347 | 0.00691 | -0.0872* | -0.0561 | -0.0248 | -0.0936 |
| | (0.0695) | (0.0685) | (0.0716) | (0.0636) | (0.0445) | (0.0577) | (0.0770) | (0.131) |
| samecus | 0.139* | -0.0812 | 0.0689 | -0.00805 | -0.0890 | -0.0168 | 0.0341 | 0.0173 |
| | (0.0771) | (0.0786) | (0.0530) | (0.0706) | (0.0570) | (0.0602) | (0.0807) | (0.157) |
| same_sec | -0.0432 | -0.00901 | -0.0229 | -0.00346 | 0.0196 | -0.000503 | 0.00499 | 0.00575 |
| | (0.0286) | (0.0191) | (0.0269) | (0.0190) | (0.0168) | (0.0181) | (0.0177) | (0.0400) |
| ldist | -0.0253*** | 0.00828 | 0.000736 | -0.0106*** | -0.00919* | -0.000414 | -0.0158*** | -0.0306*** |
| | (0.00306) | (0.00681) | (0.00238) | (0.00353) | (0.00492) | (0.00262) | (0.00454) | (0.00964) |
| ad_fmage | -0.000783 | -0.00109** | -6.72e-05 | -0.000840 | -0.00204*** | 0.000622 | -0.000481 | -0.00268 |
| | (0.00110) | (0.000533) | (0.000214) | (0.000913) | (0.000637) | (0.000540) | (0.000841) | (0.00177) |
| ad_meduc | -0.00389 | 0.0683*** | -0.00358 | -0.00499 | -0.0128* | -0.000465 | -0.00838 | -0.0173 |
| | (0.0138) | (0.0200) | (0.00224) | (0.00638) | (0.00772) | (0.00544) | (0.00635) | (0.0139) |
| ad_mexper | -0.000458 | -0.000422 | -0.000162 | -0.000941 | 0.00174 | 0.000808 | 0.00176 | 0.00239 |
| | (0.00122) | (0.000639) | (0.000389) | (0.00160) | (0.00177) | (0.00114) | (0.00209) | (0.00426) |
| ad_mfemale | 0.0465 | 0.0439** | -0.00111 | 0.00930 | 0.0263 | 0.00949 | 0.0201 | 0.0209 |
| | (0.0332) | (0.0203) | (0.00735) | (0.0316) | (0.0361) | (0.0183) | (0.0357) | (0.0728) |
| ad_lemp | 0.0766*** | 0.113*** | 0.00249 | -0.00226 | 0.00720 | 0.00812 | 0.00802 | 0.0109 |
| | (0.0194) | (0.0150) | (0.00405) | (0.00950) | (0.0104) | (0.00891) | (0.0114) | (0.0214) |
| secdist | 0.000798 | -0.00181 | 0.00421 | -0.000384 | -0.00289 | -0.00140 | 0.000588 | -0.00154 |
| | (0.00389) | (0.00312) | (0.00425) | (0.00361) | (0.00306) | (0.00294) | (0.00360) | (0.00824) |
| seclink | -0.0355 | 0.0402 | -0.0672 | 0.0231 | 0.0442 | 0.0375 | 0.00327 | 0.0368 |
| | (0.0852) | (0.0762) | (0.0742) | (0.0747) | (0.0564) | (0.0701) | (0.0909) | (0.165) |
| Constant | 0.266*** | 0.164*** | 0.502*** | 0.407*** | 0.280*** | 0.444*** | 0.247*** | 1.133*** |
| | (0.0399) | (0.0426) | (0.0148) | (0.0406) | (0.0421) | (0.0280) | (0.0433) | (0.0997) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S3.E: Results for the baseline specification with interaction terms (similar firm size x network variables) added**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0486 | -0.0468 | 0.0945 | -0.0731 | 0.0770 | -0.0218 | 0.0795 | -0.0455 |
| | (0.126) | (0.117) | (0.108) | (0.187) | (0.240) | (0.0333) | (0.107) | (0.134) |
| samesup | -0.0199 | 0.000180 | 0.0346 | -0.0869 | -0.0424 | 0.0150 | 0.0342 | 0.00815 |
| | (0.0409) | (0.0464) | (0.0413) | (0.0672) | (0.0671) | (0.0150) | (0.0451) | (0.0455) |
| samecus | 0.0653 | -0.0249 | 0.00500 | 0.0476 | -0.0762 | 0.0168 | 0.0344 | 0.125** |
| | (0.0588) | (0.0704) | (0.0696) | (0.0943) | (0.0955) | (0.0238) | (0.0748) | (0.0622) |
| same_sec | -0.0311* | -0.0566** | -0.0213 | -0.0545* | -0.0997*** | -0.00225 | -0.0164 | -0.0301* |
| | (0.0170) | (0.0259) | (0.0140) | (0.0279) | (0.0345) | (0.00484) | (0.0124) | (0.0177) |
| ldist | -0.00347 | -0.00188 | -0.00988* | -0.0148** | -0.0143* | -0.00174 | -0.0157*** | -0.0149*** |
| | (0.00245) | (0.00179) | (0.00543) | (0.00705) | (0.00845) | (0.00158) | (0.00301) | (0.00294) |
| ad_fmage | -0.000569 | -0.000803*** | -0.000984 | -0.00179 | -0.00319* | -0.000143 | -0.000171 | 0.00182 |
| | (0.000570) | (0.000277) | (0.00105) | (0.00130) | (0.00174) | (0.000335) | (0.000716) | (0.00113) |
| ad_meduc | 0.00855 | 0.0142 | -0.0100 | 0.0643** | 0.0474** | -0.00393* | 0.0111 | 0.00641 |
| | (0.00907) | (0.00958) | (0.00830) | (0.0285) | (0.0226) | (0.00237) | (0.0184) | (0.0160) |
| ad_mexper | -0.000794 | 0.000124 | -0.000590 | -0.000939 | -0.00315* | 0.000208 | -0.00170** | -0.000976 |
| | (0.000889) | (0.000387) | (0.00131) | (0.00150) | (0.00170) | (0.000479) | (0.000799) | (0.000832) |
| ad_mfemale | -0.00325 | 0.00138 | -0.00627 | 0.0871* | 0.00782 | 0.00740 | 0.0166 | -0.0125 |
| | (0.0184) | (0.00605) | (0.0284) | (0.0450) | (0.0479) | (0.0112) | (0.0256) | (0.0178) |
| ad_lemp | 0.00199 | 0.0238** | 0.0287* | 0.182*** | 0.118*** | 0.0104** | 0.0840*** | 0.0975*** |
| | (0.0103) | (0.00934) | (0.0148) | (0.0281) | (0.0323) | (0.00521) | (0.0163) | (0.0152) |
| sizdist | -0.0115* | 0.00516 | -0.00483 | -0.0218** | -0.00896 | -0.00169 | -0.00983* | -0.00352 |
| | (0.00616) | (0.00363) | (0.00481) | (0.00857) | (0.0108) | (0.00170) | (0.00516) | (0.00539) |
| sizlink | 0.000278 | -0.00512 | 0.0801 | 0.149 | 0.156 | -0.0129 | 0.0593 | 0.0190 |
| | (0.0934) | (0.0844) | (0.0965) | (0.121) | (0.150) | (0.0262) | (0.101) | (0.0925) |
| Constant | 0.490*** | 0.473*** | 0.267*** | 0.444*** | 1.010*** | 0.173*** | 0.328*** | 0.277*** |
| | (0.0195) | (0.0222) | (0.0434) | (0.0617) | (0.0742) | (0.0135) | (0.0371) | (0.0375) |

Standard errors in parentheses. *** p<0.01, ** p<0.05, * p<0.1

**Table S3.E continued**

| VARIABLES | (9) pcf_hk | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont | (14) reput_1 | (15) reput_2 | (16) reput_3 |
|---|---|---|---|---|---|---|---|---|
| supbuy | -0.0539 | 0.0234 | -0.0116 | 0.110 | 0.113 | -0.187 | 0.0314 | -0.0527 |
| | (0.221) | (0.117) | (0.105) | (0.119) | (0.253) | (0.206) | (0.178) | (0.166) |
| samesup | 0.0625 | -0.0281 | 0.00710 | 0.0795** | -0.128* | -0.0101 | 0.0224 | -0.0831 |
| | (0.0845) | (0.0514) | (0.0430) | (0.0396) | (0.0776) | (0.0915) | (0.0877) | (0.0671) |
| samecus | 0.203 | 0.0788 | -0.00951 | 0.0786 | 0.178 | 0.0510 | 0.0241 | -0.0704 |
| | (0.124) | (0.0575) | (0.0534) | (0.0706) | (0.125) | (0.0807) | (0.129) | (0.101) |
| same_sec | -0.0467* | -0.0391** | -0.0169 | -0.00163 | -0.0365 | -0.00872 | -0.0140 | 0.00337 |
| | (0.0260) | (0.0160) | (0.0154) | (0.00901) | (0.0285) | (0.0273) | (0.0254) | (0.0183) |
| Ldist | -0.0235*** | -0.0115** | -9.70e-05 | 0.00559 | -0.00865 | 0.0106* | -0.0173*** | -0.0151*** |
| | (0.00836) | (0.00586) | (0.00149) | (0.00666) | (0.00815) | (0.00569) | (0.00559) | (0.00468) |
| ad_fmage | 0.00230 | -0.000401 | 0.000485 | -0.00206*** | -0.00416*** | -0.000196 | -0.000677 | -0.00159 |
| | (0.00209) | (0.000800) | (0.000554) | (0.000637) | (0.00144) | (0.000401) | (0.00181) | (0.00109) |
| ad_meduc | 0.0326 | 0.0299 | 0.000673 | -0.0205*** | 0.0372 | -0.00399 | -0.00806 | -0.00947 |
| | (0.0351) | (0.0199) | (0.00498) | (0.00749) | (0.0279) | (0.00757) | (0.0117) | (0.0110) |
| ad_mexper | -0.000872 | -0.00154** | 0.000481 | -0.00178 | 0.00456** | 0.000151 | -0.00136 | 0.00305 |
| | (0.00165) | (0.000779) | (0.000648) | (0.00120) | (0.00210) | (0.000934) | (0.00301) | (0.00262) |
| ad_mfemale | -0.00747 | 0.0448 | 0.00364 | 0.0231 | 0.0397 | -0.00722 | -0.00939 | 0.0575 |
| | (0.0402) | (0.0297) | (0.00972) | (0.0305) | (0.0422) | (0.0131) | (0.0550) | (0.0547) |
| ad_lemp | 0.224*** | 0.129*** | 0.00198 | 0.0141 | 0.137*** | 0.00377 | -0.0120 | 0.00277 |
| | (0.0328) | (0.0162) | (0.00453) | (0.0140) | (0.0316) | (0.00689) | (0.0182) | (0.0153) |
| sizdist | -0.0142 | -0.00622 | -0.00144 | -0.00252 | -0.00342 | 0.00411 | -0.0213* | -0.0172 |
| | (0.0103) | (0.00555) | (0.00432) | (0.00496) | (0.00931) | (0.00468) | (0.0116) | (0.0109) |
| sizlink | 0.155 | 0.0634 | -0.0661 | -0.0341 | 0.0826 | -0.0378 | 0.0416 | 0.142 |
| | (0.172) | (0.0791) | (0.110) | (0.0773) | (0.155) | (0.180) | (0.196) | (0.136) |
| Constant | 0.707*** | 0.221*** | 0.486*** | 0.228*** | 0.859*** | 0.946*** | 0.852*** | 0.736*** |
| | (0.0728) | (0.0451) | (0.0207) | (0.0463) | (0.0636) | (0.0327) | (0.0767) | (0.0571) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

10

**Table S3.E continued**

| VARIABLES | (17) reput_4 | (18) reput_5 | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.125 | 0.0163 | -0.0765 | -0.0814 | -0.0843 | -0.0435 | 0.335 | 0.159 |
| | (0.207) | (0.159) | (0.148) | (0.283) | (0.130) | (0.122) | (0.656) | (0.424) |
| samesup | -0.0223 | -0.0342 | 0.00905 | -0.0898 | 0.0246 | 0.259** | -0.0282 | 0.123 |
| | (0.0921) | (0.0760) | (0.0823) | (0.114) | (0.0699) | (0.114) | (0.131) | (0.145) |
| samecus | 0.0134 | 0.0930 | 0.0574 | -0.175 | -0.00862 | 0.200 | -0.0299 | 0.118 |
| | (0.0939) | (0.112) | (0.117) | (0.136) | (0.0939) | (0.149) | (0.203) | (0.194) |
| same_sec | -0.0199 | -0.00913 | -0.0106 | -0.0791* | 0.00583 | -0.000574 | -0.0220 | -0.0109 |
| | (0.0254) | (0.0184) | (0.0253) | (0.0448) | (0.0245) | (0.0180) | (0.0507) | (0.0342) |
| ldist | 0.0105* | -0.0246*** | -0.0125 | -0.0218* | 0.0146 | 0.0214* | 0.0231 | 0.0267* |
| | (0.00548) | (0.00540) | (0.00785) | (0.0118) | (0.0114) | (0.0109) | (0.0173) | (0.0154) |
| ad_fmage | 0.000651 | 0.000131 | -0.000819 | -0.00304 | 0.00270 | -0.00248*** | -0.00553*** | -0.00387*** |
| | (0.000795) | (0.00149) | (0.00168) | (0.00199) | (0.00349) | (0.000720) | (0.00161) | (0.00144) |
| ad_meduc | -0.00510 | -0.00813 | -0.00494 | -0.00722 | 0.00377 | -0.00944 | 0.00855 | -0.0164 |
| | (0.00883) | (0.0112) | (0.0133) | (0.0280) | (0.0117) | (0.0115) | (0.0312) | (0.0174) |
| ad_mexper | 0.00114 | 0.00281 | 0.00284 | 0.000590 | -9.34e-06 | -0.00281 | -0.00181 | -0.00421 |
| | (0.00150) | (0.00311) | (0.00338) | (0.00322) | (0.00228) | (0.00204) | (0.00453) | (0.00285) |
| ad_mfemale | 0.0182 | 0.0509 | 0.00313 | 0.118 | 0.102 | -0.0855** | -0.224*** | -0.113* |
| | (0.0297) | (0.0594) | (0.0608) | (0.0933) | (0.0676) | (0.0389) | (0.0691) | (0.0585) |
| ad_lemp | 0.0147 | 0.00275 | -0.00544 | 0.0686** | 0.00557 | -0.0369*** | -0.0492 | -0.0340 |
| | (0.0128) | (0.0203) | (0.0170) | (0.0335) | (0.0270) | (0.0135) | (0.0371) | (0.0253) |
| sizdist | -0.000854 | -0.0197** | -0.0232* | -0.0256** | -0.00605 | -0.0290*** | -0.0321 | -0.0276* |
| | (0.00575) | (0.00950) | (0.0121) | (0.0130) | (0.00997) | (0.00875) | (0.0214) | (0.0158) |
| sizlink | -0.0867 | -0.142 | -0.0390 | -0.148 | -0.0786 | -0.135 | 0.197 | -0.134 |
| | (0.179) | (0.167) | (0.188) | (0.193) | (0.124) | (0.185) | (0.338) | (0.232) |
| Constant | 0.887*** | 0.683*** | 1.135*** | 1.431*** | 0.380*** | 0.643*** | 1.313*** | 1.114*** |
| | (0.0516) | (0.0635) | (0.0801) | (0.125) | (0.0736) | (0.0797) | (0.183) | (0.138) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S3.E continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0539 | -0.127 | -0.0647 | 0.00506 | -0.0270 | 0.0714 | -0.0301 | -0.107 |
| | (0.113) | (0.117) | (0.121) | (0.0965) | (0.0941) | (0.130) | (0.0835) | (0.183) |
| samesup | -0.0787* | -0.00827 | -0.0169 | 0.0203 | -0.0559 | -0.0175 | -0.0165 | -0.0625 |
| | (0.0410) | (0.0541) | (0.0488) | (0.0460) | (0.0418) | (0.0498) | (0.0444) | (0.0980) |
| samecus | 0.118* | -0.0706 | 0.0396 | 0.000112 | -0.0711 | 0.00507 | 0.0389 | 0.0351 |
| | (0.0670) | (0.0731) | (0.0409) | (0.0685) | (0.0574) | (0.0507) | (0.0745) | (0.148) |
| same_sec | -0.0394* | -0.0152 | -0.00524 | -0.00364 | 0.00734 | -0.00610 | 0.00835 | 0.000865 |
| | (0.0205) | (0.0145) | (0.0141) | (0.0120) | (0.0102) | (0.0131) | (0.00888) | (0.0242) |
| ldist | -0.0241*** | 0.00934 | 0.00166 | -0.00945*** | -0.00983** | -0.000753 | -0.0150*** | -0.0295*** |
| | (0.00291) | (0.00671) | (0.00203) | (0.00308) | (0.00466) | (0.00218) | (0.00441) | (0.00943) |
| ad_fmage | -0.000751 | -0.00104** | -6.92e-05 | -0.000800 | -0.00204*** | 0.000621 | -0.000460 | -0.00263 |
| | (0.00110) | (0.000523) | (0.000210) | (0.000916) | (0.000639) | (0.000540) | (0.000844) | (0.00178) |
| ad_meduc | -0.00398 | 0.0682*** | -0.00362 | -0.00506 | -0.0127* | -0.000426 | -0.00841 | -0.0174 |
| | (0.0138) | (0.0199) | (0.00223) | (0.00639) | (0.00770) | (0.00543) | (0.00635) | (0.0139) |
| ad_mexper | -0.000477 | -0.000462 | -0.000151 | -0.000973 | 0.00173 | 0.000804 | 0.00174 | 0.00235 |
| | (0.00122) | (0.000626) | (0.000390) | (0.00159) | (0.00176) | (0.00114) | (0.00208) | (0.00424) |
| ad_mfemale | 0.0453 | 0.0418** | -0.000679 | 0.00752 | 0.0261 | 0.00929 | 0.0192 | 0.0187 |
| | (0.0330) | (0.0199) | (0.00740) | (0.0312) | (0.0359) | (0.0183) | (0.0355) | (0.0725) |
| ad_lemp | 0.0736*** | 0.108*** | 0.00324 | -0.00640 | 0.00672 | 0.00783 | 0.00581 | 0.00580 |
| | (0.0206) | (0.0154) | (0.00419) | (0.00980) | (0.0110) | (0.00893) | (0.0125) | (0.0228) |
| sizdist | -0.00825* | -0.0136** | 0.00222 | -0.0113* | -0.00150 | -0.000566 | -0.00575 | -0.0137 |
| | (0.00498) | (0.00541) | (0.00236) | (0.00607) | (0.00556) | (0.00315) | (0.00544) | (0.0133) |
| sizlink | 0.0618 | 0.0871 | -0.0124 | 0.0146 | 0.0293 | -0.0730 | -0.0575 | -0.0383 |
| | (0.0728) | (0.0923) | (0.0945) | (0.101) | (0.0770) | (0.0916) | (0.0792) | (0.197) |
| Constant | 0.270*** | 0.174*** | 0.495*** | 0.414*** | 0.284*** | 0.446*** | 0.250*** | 1.143*** |
| | (0.0423) | (0.0419) | (0.0134) | (0.0397) | (0.0424) | (0.0278) | (0.0432) | (0.0981) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S4.E: Results for the baseline specification with a dummy variable for location in the same town added.**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech |
|---|---|---|---|---|---|
| supbuy | 0.0515 | -0.0460 | 0.103 | -0.0751 | 0.0903 |
| | (0.128) | (0.117) | (0.108) | (0.192) | (0.239) |
| samesup | -0.0169 | -0.00119 | 0.0481 | -0.0644 | -0.0170 |
| | (0.0401) | (0.0457) | (0.0404) | (0.0662) | (0.0685) |
| samecus | 0.0657 | -0.0263 | 0.00823 | 0.0621 | -0.0689 |
| | (0.0585) | (0.0707) | (0.0691) | (0.0946) | (0.0964) |
| same_sec | -0.0322* | -0.0560** | -0.0213 | -0.0570** | -0.0998*** |
| | (0.0171) | (0.0260) | (0.0141) | (0.0282) | (0.0345) |
| Ldist | 0.00649 | 0.00428 | 0.0242 | -0.0411*** | 0.0393 |
| | (0.0113) | (0.00638) | (0.0149) | (0.0132) | (0.0248) |
| ad_fmage | -0.000612 | -0.000785*** | -0.00100 | -0.00187 | -0.00322* |
| | (0.000572) | (0.000273) | (0.00105) | (0.00131) | (0.00172) |
| ad_meduc | 0.00905 | 0.0143 | -0.00866 | 0.0636** | 0.0495** |
| | (0.00917) | (0.00966) | (0.00823) | (0.0286) | (0.0230) |
| ad_mexper | -0.000757 | 0.000113 | -0.000558 | -0.000894 | -0.00309* |
| | (0.000895) | (0.000390) | (0.00131) | (0.00150) | (0.00169) |
| ad_mfemale | -0.00129 | 0.000675 | -0.00503 | 0.0900** | 0.00996 |
| | (0.0186) | (0.00596) | (0.0284) | (0.0453) | (0.0480) |
| ad_lemp | 0.00665 | 0.0221** | 0.0316** | 0.189*** | 0.123*** |
| | (0.00941) | (0.00905) | (0.0138) | (0.0265) | (0.0299) |
| sametown | 0.0697 | 0.0344 | 0.214*** | -0.147* | 0.338*** |
| | (0.0628) | (0.0384) | (0.0687) | (0.0874) | (0.129) |
| Constant | 0.416*** | 0.443*** | 0.0594 | 0.572*** | 0.682*** |
| | (0.0659) | (0.0460) | (0.0821) | (0.101) | (0.152) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

13

**Table S4.E continued**

| VARIABLES | (6)<br>suprat | (7)<br>htrain | (8)<br>ftrain | (9)<br>pcf_hk |
|---|---|---|---|---|
| supbuy | -0.0227 | 0.0811 | -0.0429 | -0.0489 |
|  | (0.0340) | (0.107) | (0.133) | (0.221) |
| samesup | 0.0134 | 0.0440 | 0.0120 | 0.0864 |
|  | (0.0141) | (0.0473) | (0.0414) | (0.0801) |
| samecus | 0.0165 | 0.0394 | 0.126** | 0.214* |
|  | (0.0237) | (0.0743) | (0.0631) | (0.124) |
| same_sec | -0.00250 | -0.0173 | -0.0303* | -0.0479* |
|  | (0.00490) | (0.0123) | (0.0177) | (0.0263) |
| ldist | -0.00638 | -0.0147 | -0.00460 | -0.0129 |
|  | (0.00486) | (0.0103) | (0.0116) | (0.0215) |
| ad_fmage | -0.000149 | -0.000207 | 0.00180 | 0.00225 |
|  | (0.000335) | (0.000721) | (0.00114) | (0.00210) |
| ad_meduc | -0.00409* | 0.0113 | 0.00684 | 0.0332 |
|  | (0.00240) | (0.0184) | (0.0161) | (0.0352) |
| ad_mexper | 0.000210 | -0.00167** | -0.000960 | -0.000827 |
|  | (0.000476) | (0.000804) | (0.000843) | (0.00164) |
| ad_mfemale | 0.00760 | 0.0182 | -0.0118 | -0.00519 |
|  | (0.0112) | (0.0258) | (0.0177) | (0.0401) |
| ad_lemp | 0.0108** | 0.0877*** | 0.0991*** | 0.230*** |
|  | (0.00494) | (0.0155) | (0.0142) | (0.0308) |
| sametown | -0.0275 | 0.0131 | 0.0664 | 0.0752 |
|  | (0.0304) | (0.0610) | (0.0659) | (0.130) |
| Constant | 0.198*** | 0.310*** | 0.211*** | 0.627*** |
|  | (0.0323) | (0.0703) | (0.0708) | (0.133) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

| VARIABLES | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont |
|---|---|---|---|---|
| supbuy | 0.0205 | -0.0121 | 0.121 | 0.114 |
| | (0.116) | (0.104) | (0.120) | (0.252) |
| samesup | -0.0197 | -0.00127 | 0.0787** | -0.116 |
| | (0.0502) | (0.0403) | (0.0367) | (0.0746) |
| samecus | 0.0854 | -0.0139 | 0.0720 | 0.184 |
| | (0.0566) | (0.0524) | (0.0691) | (0.124) |
| same_sec | -0.0400** | -0.0171 | -0.00111 | -0.0367 |
| | (0.0160) | (0.0155) | (0.00881) | (0.0284) |
| ldist | -0.0318*** | 0.000235 | 0.0613*** | -0.00688 |
| | (0.0100) | (0.00439) | (0.0178) | (0.0280) |
| ad_fmage | -0.000423 | 0.000479 | -0.00207*** | -0.00417*** |
| | (0.000805) | (0.000556) | (0.000637) | (0.00145) |
| ad_meduc | 0.0292 | 0.000686 | -0.0183** | 0.0374 |
| | (0.0199) | (0.00500) | (0.00710) | (0.0281) |
| ad_mexper | -0.00153** | 0.000485 | -0.00174 | 0.00457** |
| | (0.000780) | (0.000645) | (0.00120) | (0.00209) |
| ad_mfemale | 0.0454 | 0.00392 | 0.0245 | 0.0402 |
| | (0.0297) | (0.00950) | (0.0305) | (0.0420) |
| ad_lemp | 0.131*** | 0.00261 | 0.0171 | 0.138*** |
| | (0.0150) | (0.00473) | (0.0133) | (0.0313) |
| sametown | -0.121 | 0.00302 | 0.347*** | 0.0135 |
| | (0.0787) | (0.0270) | (0.0787) | (0.179) |
| Constant | 0.333*** | 0.482*** | -0.105 | 0.845*** |
| | (0.0753) | (0.0337) | (0.0835) | (0.175) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

| VARIABLES | (14)<br>reput_1 | (15)<br>reput_2 | (16)<br>reput_3 | (17)<br>reput_4 | (18)<br>reput_5 |
|---|---|---|---|---|---|
| supbuy | -0.186 | 0.0255 | -0.0587 | 0.120 | 0.00681 |
| | (0.205) | (0.179) | (0.172) | (0.206) | (0.158) |
| samesup | -0.0154 | 0.0299 | -0.0635 | -0.0347 | -0.0516 |
| | (0.0912) | (0.0897) | (0.0670) | (0.0909) | (0.0753) |
| samecus | 0.0473 | 0.0323 | -0.0554 | 0.00917 | 0.0889 |
| | (0.0795) | (0.129) | (0.0985) | (0.0918) | (0.111) |
| same_sec | -0.00822 | -0.0167 | 0.00115 | -0.0204 | -0.0119 |
| | (0.0272) | (0.0256) | (0.0186) | (0.0255) | (0.0184) |
| ldist | 0.0192 | -0.0567** | -0.0586** | -0.0101 | -0.0713*** |
| | (0.0198) | (0.0246) | (0.0242) | (0.00907) | (0.0179) |
| ad_fmage | -0.000181 | -0.000753 | -0.00165 | 0.000649 | 6.14e-05 |
| | (0.000403) | (0.00180) | (0.00109) | (0.000792) | (0.00149) |
| ad_meduc | -0.00372 | -0.00927 | -0.0109 | -0.00587 | -0.00967 |
| | (0.00762) | (0.0116) | (0.0112) | (0.00881) | (0.0114) |
| ad_mexper | 0.000145 | -0.00133 | 0.00307 | 0.00113 | 0.00284 |
| | (0.000939) | (0.00304) | (0.00264) | (0.00151) | (0.00311) |
| ad_mfemale | -0.00770 | -0.00670 | 0.0594 | 0.0180 | 0.0534 |
| | (0.0130) | (0.0559) | (0.0548) | (0.0298) | (0.0598) |
| ad_lemp | 0.00260 | -0.00552 | 0.00741 | 0.0144 | 0.00859 |
| | (0.00647) | (0.0178) | (0.0147) | (0.0132) | (0.0189) |
| sametown | 0.0508 | -0.229 | -0.257* | -0.127* | -0.275*** |
| | (0.105) | (0.148) | (0.140) | (0.0699) | (0.106) |
| Constant | 0.900*** | 1.058*** | 0.971*** | 1.007*** | 0.934*** |
| | (0.114) | (0.163) | (0.140) | (0.0652) | (0.120) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

| VARIABLES | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|
| supbuy | -0.0811 | -0.0781 | -0.0726 | -0.0254 | 0.295 | 0.170 |
|  | (0.149) | (0.286) | (0.131) | (0.116) | (0.600) | (0.415) |
| samesup | 0.00697 | -0.107 | 0.0169 | 0.251** | -0.000477 | 0.110 |
|  | (0.0845) | (0.110) | (0.0665) | (0.115) | (0.130) | (0.144) |
| samecus | 0.0594 | -0.181 | -0.0163 | 0.190 | -0.00429 | 0.112 |
|  | (0.118) | (0.137) | (0.0915) | (0.148) | (0.204) | (0.192) |
| same_sec | -0.0134 | -0.0820* | 0.00514 | -0.00266 | -0.0246 | -0.0129 |
|  | (0.0259) | (0.0446) | (0.0246) | (0.0182) | (0.0515) | (0.0350) |
| ldist | -0.0419* | -0.0344 | 0.0581*** | 0.0867** | -0.122 | 0.0359 |
|  | (0.0236) | (0.0412) | (0.0208) | (0.0378) | (0.105) | (0.0661) |
| ad_fmage | -0.000902 | -0.00314 | 0.00267 | -0.00259*** | -0.00563*** | -0.00397*** |
|  | (0.00167) | (0.00200) | (0.00347) | (0.000726) | (0.00158) | (0.00145) |
| ad_meduc | -0.00577 | -0.00753 | 0.00578 | -0.00652 | 0.00239 | -0.0159 |
|  | (0.0133) | (0.0277) | (0.0114) | (0.0112) | (0.0327) | (0.0175) |
| ad_mexper | 0.00289 | 0.000665 | 1.22e-05 | -0.00271 | -0.00175 | -0.00409 |
|  | (0.00341) | (0.00321) | (0.00225) | (0.00204) | (0.00449) | (0.00284) |
| ad_mfemale | 0.00633 | 0.121 | 0.104 | -0.0790** | -0.223*** | -0.109* |
|  | (0.0613) | (0.0935) | (0.0671) | (0.0388) | (0.0694) | (0.0580) |
| ad_lemp | 0.00219 | 0.0783** | 0.00920 | -0.0238** | -0.0415 | -0.0232 |
|  | (0.0163) | (0.0315) | (0.0242) | (0.0116) | (0.0341) | (0.0217) |
| sametown | -0.165 | -0.0597 | 0.272*** | 0.424** | -0.870 | 0.0765 |
|  | (0.138) | (0.234) | (0.0926) | (0.188) | (0.651) | (0.368) |
| Constant | 1.279*** | 1.472*** | 0.115 | 0.219 | 2.129*** | 1.023*** |
|  | (0.158) | (0.277) | (0.119) | (0.153) | (0.654) | (0.343) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0528 | -0.128 | -0.0658 | 0.000924 | -0.0319 | 0.0701 | -0.0345 | -0.115 |
| | (0.114) | (0.119) | (0.121) | (0.0973) | (0.0970) | (0.130) | (0.0826) | (0.183) |
| samesup | -0.0695* | 0.00511 | -0.0192 | 0.0230 | -0.0533 | -0.0271 | -0.0240 | -0.0672 |
| | (0.0392) | (0.0523) | (0.0482) | (0.0465) | (0.0441) | (0.0486) | (0.0454) | (0.102) |
| samecus | 0.124* | -0.0620 | 0.0388 | 0.00431 | -0.0669 | 0.000324 | 0.0372 | 0.0373 |
| | (0.0676) | (0.0737) | (0.0405) | (0.0687) | (0.0557) | (0.0499) | (0.0739) | (0.147) |
| same_sec | -0.0403** | -0.0167 | -0.00506 | -0.00512 | 0.00688 | -0.00625 | 0.00744 | -0.00113 |
| | (0.0206) | (0.0147) | (0.0141) | (0.0121) | (0.0102) | (0.0131) | (0.00895) | (0.0247) |
| ldist | -0.0360** | -0.00510 | -0.00200 | -0.0349*** | -0.0361* | -0.00344 | -0.0358*** | -0.0719** |
| | (0.0143) | (0.0111) | (0.00861) | (0.0132) | (0.0206) | (0.00791) | (0.0136) | (0.0331) |
| ad_fmage | -0.000780 | -0.00109** | -6.08e-05 | -0.000840 | -0.00204*** | 0.000619 | -0.000480 | -0.00268 |
| | (0.00110) | (0.000533) | (0.000213) | (0.000911) | (0.000635) | (0.000539) | (0.000838) | (0.00177) |
| ad_meduc | -0.00431 | 0.0679*** | -0.00379* | -0.00587 | -0.0137* | -0.000537 | -0.00913 | -0.0188 |
| | (0.0138) | (0.0200) | (0.00228) | (0.00625) | (0.00782) | (0.00544) | (0.00647) | (0.0140) |
| ad_mexper | -0.000461 | -0.000433 | -0.000159 | -0.000957 | 0.00172 | 0.000804 | 0.00174 | 0.00237 |
| | (0.00121) | (0.000641) | (0.000389) | (0.00160) | (0.00176) | (0.00114) | (0.00208) | (0.00426) |
| ad_mfemale | 0.0464 | 0.0437** | -0.00108 | 0.00888 | 0.0259 | 0.00939 | 0.0198 | 0.0202 |
| | (0.0332) | (0.0202) | (0.00732) | (0.0317) | (0.0360) | (0.0183) | (0.0358) | (0.0729) |
| ad_lemp | 0.0762*** | 0.112*** | 0.00229 | -0.00314 | 0.00629 | 0.00803 | 0.00727 | 0.00940 |
| | (0.0194) | (0.0150) | (0.00407) | (0.00938) | (0.0102) | (0.00892) | (0.0113) | (0.0211) |
| sametown | -0.0676 | -0.0796 | -0.0242 | -0.149* | -0.161 | -0.0163 | -0.125 | -0.253 |
| | (0.0873) | (0.0667) | (0.0471) | (0.0789) | (0.117) | (0.0459) | (0.0813) | (0.196) |
| Constant | 0.329*** | 0.243*** | 0.520*** | 0.550*** | 0.437*** | 0.461*** | 0.365*** | 1.376*** |
| | (0.0946) | (0.0680) | (0.0489) | (0.0876) | (0.120) | (0.0529) | (0.0909) | (0.218) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S5.E: Results for an alternative specification in which a single dummy variable for connectedness (*anylink*) replaces the three trading relationship dummies in the baseline specification**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| Anylink | 0.0179 | -0.0111 | 0.0406 | -0.0210 | -0.0428 | 0.00868 | 0.0502 | 0.0445 |
| | (0.0346) | (0.0404) | (0.0369) | (0.0506) | (0.0618) | (0.0132) | (0.0425) | (0.0383) |
| same_sec | -0.0327* | -0.0561** | -0.0216 | -0.0573** | -0.1000*** | -0.00228 | -0.0174 | -0.0306* |
| | (0.0171) | (0.0260) | (0.0141) | (0.0280) | (0.0346) | (0.00493) | (0.0123) | (0.0178) |
| Ldist | -0.00477** | -0.00128 | -0.0105* | -0.0172** | -0.0154* | -0.00194 | -0.0168*** | -0.0153*** |
| | (0.00238) | (0.00175) | (0.00543) | (0.00694) | (0.00833) | (0.00159) | (0.00298) | (0.00292) |
| ad_fmage | -0.000607 | -0.000786*** | -0.00100 | -0.00186 | -0.00322* | -0.000149 | -0.000208 | 0.00181 |
| | (0.000574) | (0.000274) | (0.00105) | (0.00131) | (0.00173) | (0.000335) | (0.000718) | (0.00114) |
| ad_meduc | 0.00859 | 0.0142 | -0.00998 | 0.0644** | 0.0474** | -0.00392* | 0.0112 | 0.00643 |
| | (0.00905) | (0.00956) | (0.00833) | (0.0286) | (0.0226) | (0.00237) | (0.0184) | (0.0160) |
| ad_mexper | -0.000768 | 0.000113 | -0.000576 | -0.000886 | -0.00313* | 0.000211 | -0.00167** | -0.000977 |
| | (0.000897) | (0.000387) | (0.00132) | (0.00151) | (0.00170) | (0.000477) | (0.000804) | (0.000837) |
| ad_mfemale | -0.00150 | 0.000617 | -0.00558 | 0.0904** | 0.00906 | 0.00764 | 0.0181 | -0.0121 |
| | (0.0186) | (0.00597) | (0.0285) | (0.0454) | (0.0482) | (0.0111) | (0.0258) | (0.0177) |
| ad_lemp | 0.00628 | 0.0219** | 0.0304** | 0.189*** | 0.121*** | 0.0110** | 0.0876*** | 0.0987*** |
| | (0.00943) | (0.00902) | (0.0137) | (0.0264) | (0.0298) | (0.00490) | (0.0155) | (0.0143) |
| Constant | 0.483*** | 0.475*** | 0.264*** | 0.431*** | 1.005*** | 0.172*** | 0.323*** | 0.275*** |
| | (0.0191) | (0.0216) | (0.0421) | (0.0598) | (0.0714) | (0.0132) | (0.0363) | (0.0363) |

Standard errors in parentheses
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

**Table S5.E continued**

| VARIABLES | (9) pcf_hk | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont | (14) reput_1 | (15) reput_2 | (16) reput_3 |
|---|---|---|---|---|---|---|---|---|
| anylink | 0.126* | 0.0158 | -0.0111 | 0.0910*** | 0.00262 | -0.0115 | 0.0288 | -0.0624 |
|  | (0.0732) | (0.0383) | (0.0333) | (0.0348) | (0.0720) | (0.0662) | (0.0766) | (0.0605) |
| same_sec | -0.0482* | -0.0400** | -0.0169 | -0.00209 | -0.0381 | -0.00833 | -0.0161 | 0.00153 |
|  | (0.0261) | (0.0160) | (0.0155) | (0.00909) | (0.0286) | (0.0272) | (0.0257) | (0.0187) |
| ldist | -0.0251*** | -0.0123** | -0.000268 | 0.00531 | -0.00900 | 0.0111** | -0.0198*** | -0.0171*** |
|  | (0.00825) | (0.00572) | (0.00143) | (0.00670) | (0.00797) | (0.00562) | (0.00578) | (0.00487) |
| ad_fmage | 0.00225 | -0.000419 | 0.000479 | -0.00207*** | -0.00415*** | -0.000180 | -0.000755 | -0.00165 |
|  | (0.00210) | (0.000805) | (0.000556) | (0.000635) | (0.00144) | (0.000403) | (0.00180) | (0.00109) |
| ad_meduc | 0.0328 | 0.0299 | 0.000664 | -0.0205*** | 0.0371 | -0.00396 | -0.00792 | -0.00931 |
|  | (0.0351) | (0.0199) | (0.00501) | (0.00751) | (0.0279) | (0.00760) | (0.0117) | (0.0110) |
| ad_mexper | -0.000847 | -0.00153** | 0.000484 | -0.00178 | 0.00455** | 0.000134 | -0.00131 | 0.00309 |
|  | (0.00165) | (0.000778) | (0.000643) | (0.00120) | (0.00209) | (0.000930) | (0.00304) | (0.00264) |
| ad_mfemale | -0.00553 | 0.0457 | 0.00389 | 0.0235 | 0.0401 | -0.00790 | -0.00615 | 0.0601 |
|  | (0.0402) | (0.0297) | (0.00948) | (0.0306) | (0.0420) | (0.0130) | (0.0558) | (0.0550) |
| ad_lemp | 0.229*** | 0.131*** | 0.00257 | 0.0151 | 0.139*** | 0.00220 | -0.00418 | 0.00894 |
|  | (0.0309) | (0.0150) | (0.00472) | (0.0132) | (0.0312) | (0.00663) | (0.0180) | (0.0150) |
| Constant | 0.700*** | 0.218*** | 0.485*** | 0.226*** | 0.858*** | 0.949*** | 0.840*** | 0.726*** |
|  | (0.0716) | (0.0440) | (0.0201) | (0.0456) | (0.0625) | (0.0329) | (0.0775) | (0.0575) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S5.E continued**

| VARIABLES | (17) reput_4 | (18) reput_5 | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|---|---|
| anylink | -0.00813 | 0.0132 | 0.0229 | -0.163** | 0.000561 | 0.202** | 0.0211 | 0.110 |
| | (0.0637) | (0.0651) | (0.0766) | (0.0825) | (0.0543) | (0.101) | (0.126) | (0.132) |
| same_sec | -0.0204 | -0.0123 | -0.0133 | -0.0811* | 0.00513 | -0.00213 | -0.0242 | -0.0124 |
| | (0.0253) | (0.0186) | (0.0258) | (0.0446) | (0.0245) | (0.0182) | (0.0514) | (0.0348) |
| ldist | 0.0104* | -0.0268*** | -0.0151** | -0.0248** | 0.0139 | 0.0178* | 0.0193 | 0.0234 |
| | (0.00544) | (0.00528) | (0.00735) | (0.0122) | (0.0106) | (0.0108) | (0.0168) | (0.0149) |
| ad_fmage | 0.000651 | 6.48e-05 | -0.000903 | -0.00314 | 0.00267 | -0.00260*** | -0.00564*** | -0.00397*** |
| | (0.000791) | (0.00149) | (0.00168) | (0.00200) | (0.00347) | (0.000734) | (0.00161) | (0.00146) |
| ad_meduc | -0.00519 | -0.00804 | -0.00474 | -0.00728 | 0.00388 | -0.00916 | 0.00862 | -0.0166 |
| | (0.00884) | (0.0112) | (0.0133) | (0.0280) | (0.0117) | (0.0116) | (0.0313) | (0.0174) |
| ad_mexper | 0.00114 | 0.00286 | 0.00290 | 0.000673 | 9.82e-06 | -0.00274 | -0.00170 | -0.00411 |
| | (0.00151) | (0.00312) | (0.00340) | (0.00321) | (0.00226) | (0.00205) | (0.00455) | (0.00285) |
| ad_mfemale | 0.0184 | 0.0541 | 0.00673 | 0.121 | 0.103 | -0.0815** | -0.220*** | -0.110* |
| | (0.0299) | (0.0598) | (0.0613) | (0.0932) | (0.0670) | (0.0389) | (0.0686) | (0.0583) |
| ad_lemp | 0.0152 | 0.0103 | 0.00313 | 0.0786** | 0.00786 | -0.0259** | -0.0373 | -0.0235 |
| | (0.0132) | (0.0190) | (0.0164) | (0.0311) | (0.0242) | (0.0118) | (0.0363) | (0.0224) |
| Constant | 0.886*** | 0.671*** | 1.121*** | 1.416*** | 0.376*** | 0.626*** | 1.293*** | 1.097*** |
| | (0.0527) | (0.0637) | (0.0818) | (0.120) | (0.0731) | (0.0777) | (0.179) | (0.133) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S5.E continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| anylink | 0.0100 | -0.0310 | -0.00607 | 0.0137 | -0.0567 | -0.0119 | 0.00523 | -0.0296 |
|  | (0.0363) | (0.0371) | (0.0347) | (0.0400) | (0.0383) | (0.0354) | (0.0407) | (0.0912) |
| same_sec | -0.0411** | -0.0161 | -0.00511 | -0.00460 | 0.00709 | -0.00638 | 0.00716 | -0.00126 |
|  | (0.0205) | (0.0146) | (0.0141) | (0.0122) | (0.0103) | (0.0131) | (0.00899) | (0.0246) |
| ldist | -0.0250*** | 0.00777 | 0.00193 | -0.0108*** | -0.00999** | -0.000812 | -0.0156*** | -0.0310*** |
|  | (0.00300) | (0.00657) | (0.00201) | (0.00316) | (0.00469) | (0.00225) | (0.00431) | (0.00889) |
| ad_fmage | -0.000771 | -0.00109** | -5.91e-05 | -0.000843 | -0.00204*** | 0.000621 | -0.000479 | -0.00268 |
|  | (0.00109) | (0.000534) | (0.000213) | (0.000912) | (0.000636) | (0.000538) | (0.000842) | (0.00177) |
| ad_meduc | -0.00398 | 0.0684*** | -0.00363 | -0.00498 | -0.0127* | -0.000488 | -0.00836 | -0.0173 |
|  | (0.0138) | (0.0200) | (0.00226) | (0.00639) | (0.00773) | (0.00544) | (0.00638) | (0.0140) |
| ad_mexper | -0.000464 | -0.000422 | -0.000162 | -0.000943 | 0.00174 | 0.000805 | 0.00176 | 0.00239 |
|  | (0.00122) | (0.000641) | (0.000390) | (0.00160) | (0.00177) | (0.00114) | (0.00209) | (0.00426) |
| ad_mfemale | 0.0465 | 0.0439** | -0.00106 | 0.00925 | 0.0263 | 0.00943 | 0.0201 | 0.0209 |
|  | (0.0333) | (0.0202) | (0.00734) | (0.0316) | (0.0361) | (0.0183) | (0.0357) | (0.0728) |
| ad_lemp | 0.0767*** | 0.113*** | 0.00241 | -0.00228 | 0.00726 | 0.00818 | 0.00802 | 0.0109 |
|  | (0.0194) | (0.0150) | (0.00408) | (0.00951) | (0.0104) | (0.00889) | (0.0114) | (0.0214) |
| Constant | 0.265*** | 0.167*** | 0.497*** | 0.408*** | 0.283*** | 0.446*** | 0.246*** | 1.135*** |
|  | (0.0404) | (0.0421) | (0.0133) | (0.0401) | (0.0425) | (0.0280) | (0.0430) | (0.0995) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

22

**Table S6.E: Results for the baseline specification with the geographical distance variable omitted**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0567 | -0.0451 | 0.112 | -0.0429 | 0.104 | -0.0188 | 0.107 | -0.0208 |
| | (0.127) | (0.117) | (0.110) | (0.187) | (0.242) | (0.0332) | (0.103) | (0.129) |
| samesup | -0.0119 | 1.25e-05 | 0.0585 | -0.0425 | -0.00192 | 0.0159 | 0.0639 | 0.0296 |
| | (0.0394) | (0.0452) | (0.0417) | (0.0647) | (0.0681) | (0.0139) | (0.0456) | (0.0404) |
| samecus | 0.0702 | -0.0249 | 0.0189 | 0.0732 | -0.0530 | 0.0175 | 0.0522 | 0.139** |
| | (0.0586) | (0.0706) | (0.0697) | (0.0962) | (0.0980) | (0.0240) | (0.0736) | (0.0608) |
| same_sec | -0.0328* | -0.0562** | -0.0227 | -0.0583** | -0.102*** | -0.00262 | -0.0189 | -0.0318* |
| | (0.0171) | (0.0260) | (0.0141) | (0.0277) | (0.0345) | (0.00494) | (0.0125) | (0.0176) |
| ad_fmage | -0.000527 | -0.000762*** | -0.000820 | -0.00157 | -0.00295* | -0.000115 | 8.61e-05 | 0.00207* |
| | (0.000573) | (0.000273) | (0.00107) | (0.00131) | (0.00174) | (0.000326) | (0.000705) | (0.00113) |
| ad_meduc | 0.00723 | 0.0138 | -0.0130 | 0.0594** | 0.0430* | -0.00449* | 0.00625 | 0.00194 |
| | (0.00897) | (0.00949) | (0.00844) | (0.0281) | (0.0227) | (0.00233) | (0.0185) | (0.0159) |
| ad_mexper | -0.000720 | 0.000122 | -0.000484 | -0.000725 | -0.00299* | 0.000230 | -0.00152* | -0.000829 |
| | (0.000899) | (0.000378) | (0.00133) | (0.00153) | (0.00171) | (0.000482) | (0.000843) | (0.000860) |
| ad_mfemale | 0.000367 | 0.00108 | -0.00157 | 0.0970** | 0.0150 | 0.00841 | 0.0246 | -0.00612 |
| | (0.0187) | (0.00591) | (0.0287) | (0.0459) | (0.0487) | (0.0116) | (0.0259) | (0.0177) |
| ad_lemp | 0.00597 | 0.0218** | 0.0298** | 0.189*** | 0.120*** | 0.0109** | 0.0866*** | 0.0979*** |
| | (0.00947) | (0.00904) | (0.0137) | (0.0264) | (0.0298) | (0.00490) | (0.0152) | (0.0142) |
| Constant | 0.461*** | 0.470*** | 0.217*** | 0.354*** | 0.936*** | 0.163*** | 0.247*** | 0.206*** |
| | (0.0215) | (0.0191) | (0.0393) | (0.0585) | (0.0678) | (0.0129) | (0.0403) | (0.0382) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S6.E continued**

| VARIABLES | (9) pcf_hk | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont | (14) reput_1 | (15) reput_2 | (16) reput_3 |
|---|---|---|---|---|---|---|---|---|
| supbuy | -0.0117 | 0.0439 | -0.0118 | 0.101 | 0.128 | -0.205 | 0.0643 | -0.0232 |
| | (0.211) | (0.117) | (0.105) | (0.118) | (0.252) | (0.204) | (0.176) | (0.164) |
| samesup | 0.115 | -0.00401 | -0.000994 | 0.0692* | -0.106 | -0.0290 | 0.0556 | -0.0408 |
| | (0.0780) | (0.0490) | (0.0404) | (0.0356) | (0.0754) | (0.0920) | (0.0893) | (0.0662) |
| samecus | 0.234** | 0.0930 | -0.0137 | 0.0726 | 0.191 | 0.0397 | 0.0441 | -0.0459 |
| | (0.119) | (0.0593) | (0.0524) | (0.0716) | (0.125) | (0.0807) | (0.131) | (0.0995) |
| same_sec | -0.0503* | -0.0409** | -0.0172 | -0.00149 | -0.0375 | -0.00732 | -0.0180 | 0.000124 |
| | (0.0262) | (0.0162) | (0.0155) | (0.00911) | (0.0286) | (0.0273) | (0.0256) | (0.0188) |
| ad_fmage | 0.00269 | -0.000210 | 0.000484 | -0.00216*** | -0.00401*** | -0.000373 | -0.000410 | -0.00136 |
| | (0.00209) | (0.000823) | (0.000548) | (0.000651) | (0.00144) | (0.000409) | (0.00181) | (0.00108) |
| ad_meduc | 0.0254 | 0.0263 | 0.000593 | -0.0188*** | 0.0345 | -0.000792 | -0.0137 | -0.0143 |
| | (0.0348) | (0.0198) | (0.00493) | (0.00718) | (0.0277) | (0.00740) | (0.0117) | (0.0111) |
| ad_mexper | -0.000609 | -0.00141* | 0.000487 | -0.00183 | 0.00465** | 4.15e-05 | -0.00113 | 0.00325 |
| | (0.00169) | (0.000775) | (0.000640) | (0.00120) | (0.00208) | (0.000930) | (0.00305) | (0.00265) |
| ad_mfemale | 0.00424 | 0.0504* | 0.00401 | 0.0215 | 0.0437 | -0.0121 | 0.00148 | 0.0666 |
| | (0.0404) | (0.0291) | (0.00943) | (0.0318) | (0.0424) | (0.0135) | (0.0561) | (0.0555) |
| ad_lemp | 0.228*** | 0.131*** | 0.00258 | 0.0153 | 0.138*** | 0.00292 | -0.00527 | 0.00797 |
| | (0.0304) | (0.0150) | (0.00473) | (0.0133) | (0.0310) | (0.00671) | (0.0179) | (0.0150) |
| Constant | 0.586*** | 0.162*** | 0.484*** | 0.250*** | 0.817*** | 0.998*** | 0.751*** | 0.649*** |
| | (0.0711) | (0.0380) | (0.0178) | (0.0440) | (0.0570) | (0.0199) | (0.0754) | (0.0571) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S6.E continued**

| VARIABLES | (17)<br>reput_4 | (18)<br>reput_5 | (19)<br>pcf_rep | (20)<br>lvademp | (21)<br>dlemp | (22)<br>growth1 | (23)<br>growth3 | (24)<br>pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.108 | 0.0583 | -0.0517 | -0.0359 | -0.106 | -0.0709 | 0.312 | 0.142 |
| | (0.206) | (0.156) | (0.146) | (0.285) | (0.137) | (0.127) | (0.654) | (0.426) |
| samesup | -0.0459 | -0.0171 | 0.0265 | -0.0764 | -0.00414 | 0.225** | -0.0204 | 0.0781 |
| | (0.0936) | (0.0723) | (0.0825) | (0.102) | (0.0610) | (0.109) | (0.127) | (0.135) |
| samecus | -0.000330 | 0.105 | 0.0686 | -0.163 | -0.0209 | 0.181 | -0.0232 | 0.0982 |
| | (0.0920) | (0.113) | (0.117) | (0.135) | (0.0934) | (0.149) | (0.200) | (0.192) |
| same_sec | -0.0192 | -0.0138 | -0.0144 | -0.0842* | 0.00663 | -0.00176 | -0.0221 | -0.0102 |
| | (0.0254) | (0.0184) | (0.0255) | (0.0448) | (0.0250) | (0.0185) | (0.0514) | (0.0349) |
| ad_fmage | 0.000466 | 0.000527 | -0.000639 | -0.00273 | 0.00244 | -0.00290*** | -0.00598*** | -0.00434*** |
| | (0.000790) | (0.00149) | (0.00166) | (0.00202) | (0.00339) | (0.000776) | (0.00168) | (0.00152) |
| ad_meduc | -0.00205 | -0.0159 | -0.00923 | -0.0141 | 0.00832 | -0.00339 | 0.0153 | -0.00830 |
| | (0.00862) | (0.0112) | (0.0134) | (0.0279) | (0.0119) | (0.0103) | (0.0306) | (0.0156) |
| ad_mexper | 0.00104 | 0.00310 | 0.00304 | 0.000874 | -0.000134 | -0.00288 | -0.00199 | -0.00440 |
| | (0.00153) | (0.00314) | (0.00340) | (0.00322) | (0.00233) | (0.00209) | (0.00446) | (0.00286) |
| ad_mfemale | 0.0144 | 0.0644 | 0.0126 | 0.131 | 0.0967 | -0.0901** | -0.229*** | -0.121* |
| | (0.0298) | (0.0604) | (0.0612) | (0.0906) | (0.0692) | (0.0414) | (0.0687) | (0.0620) |
| ad_lemp | 0.0157 | 0.00871 | 0.00232 | 0.0773** | 0.00862 | -0.0249** | -0.0368 | -0.0229 |
| | (0.0133) | (0.0189) | (0.0164) | (0.0313) | (0.0236) | (0.0118) | (0.0359) | (0.0219) |
| Constant | 0.933*** | 0.551*** | 1.053*** | 1.303*** | 0.438*** | 0.706*** | 1.380*** | 1.202*** |
| | (0.0482) | (0.0645) | (0.0707) | (0.0940) | (0.0651) | (0.0995) | (0.159) | (0.152) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

25

**Table S6.E continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0947 | -0.138 | -0.0680 | 0.0228 | -0.0108 | 0.0719 | -0.00565 | -0.0577 |
| | (0.110) | (0.120) | (0.121) | (0.0946) | (0.0933) | (0.130) | (0.0827) | (0.179) |
| samesup | -0.0391 | -0.00338 | -0.0213 | 0.0372 | -0.0399 | -0.0260 | -0.00425 | -0.0280 |
| | (0.0405) | (0.0530) | (0.0487) | (0.0461) | (0.0430) | (0.0491) | (0.0442) | (0.0990) |
| samecus | 0.142** | -0.0689 | 0.0371 | 0.0104 | -0.0615 | 0.000717 | 0.0473 | 0.0573 |
| | (0.0702) | (0.0757) | (0.0405) | (0.0694) | (0.0555) | (0.0497) | (0.0752) | (0.146) |
| same_sec | -0.0424** | -0.0158 | -0.00484 | -0.00579 | 0.00631 | -0.00629 | 0.00628 | -0.00341 |
| | (0.0202) | (0.0147) | (0.0141) | (0.0121) | (0.0105) | (0.0130) | (0.00905) | (0.0243) |
| ad_fmage | -0.000344 | -0.00122** | -9.45e-05 | -0.000654 | -0.00187*** | 0.000633 | -0.000208 | -0.00214 |
| | (0.00109) | (0.000568) | (0.000213) | (0.000912) | (0.000632) | (0.000548) | (0.000842) | (0.00177) |
| ad_meduc | -0.0113 | 0.0706*** | -0.00308 | -0.00813 | -0.0157* | -0.000676 | -0.0130** | -0.0264* |
| | (0.0133) | (0.0203) | (0.00215) | (0.00636) | (0.00804) | (0.00538) | (0.00656) | (0.0149) |
| ad_mexper | -0.000230 | -0.000495 | -0.000174 | -0.000846 | 0.00183 | 0.000813 | 0.00190 | 0.00267 |
| | (0.00127) | (0.000597) | (0.000386) | (0.00161) | (0.00177) | (0.00114) | (0.00209) | (0.00424) |
| ad_mfemale | 0.0562* | 0.0409** | -0.00175 | 0.0134 | 0.0301 | 0.00974 | 0.0261 | 0.0328 |
| | (0.0340) | (0.0196) | (0.00740) | (0.0317) | (0.0367) | (0.0183) | (0.0362) | (0.0733) |
| ad_lemp | 0.0752*** | 0.113*** | 0.00254 | -0.00286 | 0.00668 | 0.00808 | 0.00713 | 0.00916 |
| | (0.0193) | (0.0149) | (0.00408) | (0.00952) | (0.0104) | (0.00882) | (0.0113) | (0.0213) |
| Constant | 0.152*** | 0.202*** | 0.505*** | 0.359*** | 0.238*** | 0.442*** | 0.175*** | 0.995*** |
| | (0.0396) | (0.0328) | (0.0104) | (0.0378) | (0.0369) | (0.0326) | (0.0374) | (0.0852) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

26

# Part II: Results for the Sudan

**Table S1.S: Results for specifications with dummy variables for web, email and perceived consequences of disputes**

| VARIABLES | (1) Web | (2) email | (3) reput_D1 | (4) reputD_2 | (5) reputD_3 | (6) reputD_4 | (7) reputD_5 | (8) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| Supbuy | 0.0201 | 0.422 | -0.461** | -0.220 | 0.307 | 0.282 | 0.357 | 0.403 |
| | (0.330) | (0.362) | (0.186) | (0.331) | (0.261) | (0.343) | (0.365) | (0.654) |
| samesup | -0.116* | -0.133** | -0.0748 | -0.0456 | -0.0410 | -0.0600 | -0.0665 | -0.100 |
| | (0.0618) | (0.0639) | (0.0882) | (0.0822) | (0.0811) | (0.0743) | (0.0839) | (0.140) |
| samecus | 0.135*** | 0.119*** | 0.0352 | 0.00193 | -0.0673 | -0.0878 | 0.0786** | 0.0995 |
| | (0.0374) | (0.0300) | (0.0360) | (0.0450) | (0.0696) | (0.0651) | (0.0379) | (0.101) |
| same_sec | -0.0232 | -0.0628*** | -0.0122 | -0.0151 | 0.00143 | -0.00288 | 0.0198** | 0.0151 |
| | (0.0151) | (0.0192) | (0.0139) | (0.0154) | (0.0118) | (0.0113) | (0.00982) | (0.0231) |
| Ldist | -0.00970*** | -0.0153*** | -0.00603*** | -0.00417** | -0.000201 | -0.00280 | -0.00233 | 0.00565 |
| | (0.00332) | (0.00236) | (0.00171) | (0.00191) | (0.00302) | (0.00220) | (0.00387) | (0.00673) |
| ad_fmage | -0.00224*** | -0.000539 | -0.000665 | 0.000387 | 0.000438 | -0.000245 | 0.00110 | -0.000492 |
| | (0.000511) | (0.000915) | (0.000547) | (0.000692) | (0.000803) | (0.000622) | (0.00115) | (0.00121) |
| ad_meduc | -0.00629 | 0.0166 | -0.00185 | 0.00253 | 0.00206 | 0.000247 | 0.00507 | -0.00423 |
| | (0.00611) | (0.0108) | (0.00285) | (0.00439) | (0.00528) | (0.00489) | (0.00615) | (0.00882) |
| ad_mexper | 0.000328 | -0.00140** | 0.000439 | 0.000105 | -0.000964 | -0.000796 | -0.000885 | -0.000556 |
| | (0.00129) | (0.000569) | (0.000601) | (0.000560) | (0.000597) | (0.000688) | (0.00107) | (0.00186) |
| ad_mfemale | 0.239*** | 0.130*** | 0.0277 | 0.00221 | -0.00538 | 0.0114 | 0.0190 | 0.0656 |
| | (0.0527) | (0.0431) | (0.0244) | (0.0204) | (0.0228) | (0.0258) | (0.0293) | (0.0552) |
| ad_lemp | 0.0819*** | 0.0809*** | 0.0121 | -0.00904 | -0.00439 | -0.0177*** | -0.0186** | -0.0166 |
| | (0.0218) | (0.0227) | (0.0101) | (0.00658) | (0.00852) | (0.00583) | (0.00930) | (0.0154) |
| Constant | 0.213*** | 0.321*** | 0.468*** | 0.484*** | 0.450*** | 0.492*** | 0.396*** | 1.105*** |
| | (0.0363) | (0.0353) | (0.0214) | (0.0201) | (0.0258) | (0.0201) | (0.0383) | (0.0531) |

Standard errors in parentheses
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

**Table S2.S: Results for the baseline specification with interaction terms (same sector x network variables) added**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0838 | -0.210 | -0.302** | 0.418 | -0.258 | -0.101 | -0.124 | 0.378 |
| | (0.363) | (0.328) | (0.134) | (0.586) | (0.231) | (0.0894) | (0.265) | (0.346) |
| samesup | -0.0210 | -0.160* | -0.150* | -0.303** | -0.274* | -0.0141 | 0.0298 | -0.0122 |
| | (0.0842) | (0.0820) | (0.0804) | (0.131) | (0.142) | (0.0468) | (0.0921) | (0.0586) |
| samecus | 0.0415 | 0.00296 | 0.132*** | 0.220*** | 0.187* | -0.0443 | 0.0826** | 0.0219 |
| | (0.0263) | (0.0355) | (0.0363) | (0.0623) | (0.0988) | (0.0293) | (0.0396) | (0.0704) |
| same_sec | -0.00501 | -0.0138 | -0.0238 | -0.109** | -0.0577 | -0.00136 | -0.0280 | -0.0251 |
| | (0.0199) | (0.0269) | (0.0188) | (0.0486) | (0.0388) | (0.0117) | (0.0245) | (0.0218) |
| ldist | 4.00e-05 | -0.000943 | -0.0126*** | -0.0224*** | -0.0184*** | 0.00312 | -0.00786** | -0.000860 |
| | (0.00172) | (0.00240) | (0.00302) | (0.00545) | (0.00614) | (0.00201) | (0.00308) | (0.00438) |
| ad_fmage | 0.000122 | 0.000256 | 0.000360 | -0.00318*** | -0.00102 | -0.000523* | -0.000422 | 0.000879 |
| | (0.000283) | (0.000368) | (0.00103) | (0.00120) | (0.00133) | (0.000299) | (0.000662) | (0.000992) |
| ad_meduc | 0.00570 | 0.0409*** | 0.00758 | 0.0189 | 0.0664*** | 0.00381 | -0.000344 | -0.0144*** |
| | (0.00616) | (0.0144) | (0.00926) | (0.0167) | (0.0236) | (0.00339) | (0.00577) | (0.00474) |
| ad_mexper | -1.72e-06 | -0.000301 | -0.000409 | -2.83e-05 | -0.000121 | 0.000258 | -0.00155*** | 0.000637 |
| | (0.000287) | (0.000265) | (0.00116) | (0.00218) | (0.00240) | (0.000598) | (0.000501) | (0.00108) |
| ad_mfemale | 0.00121 | 0.0355* | 0.0978** | 0.435*** | 0.241*** | 0.0298* | 0.0446 | 0.0848 |
| | (0.00629) | (0.0187) | (0.0396) | (0.0909) | (0.0751) | (0.0176) | (0.0375) | (0.0542) |
| ad_lemp | 0.0231** | 0.0524*** | 0.0394** | 0.167*** | 0.197*** | 0.0182*** | 0.0567*** | 0.0780*** |
| | (0.00911) | (0.0143) | (0.0175) | (0.0421) | (0.0457) | (0.00569) | (0.0170) | (0.0205) |
| secdist | 0.00264 | 0.00283 | 0.00262 | 0.00285 | 0.00657 | 0.000701 | -0.00142 | 0.00385 |
| | (0.00423) | (0.00470) | (0.00397) | (0.00836) | (0.00808) | (0.00224) | (0.00439) | (0.00423) |
| seclink | -0.130 | 0.0200 | -0.0662 | 0.0773 | -0.0660 | 0.0322 | -0.000292 | -0.00623 |
| | (0.0960) | (0.0816) | (0.0833) | (0.120) | (0.130) | (0.0428) | (0.0753) | (0.0703) |
| Constant | 0.461*** | 0.375*** | 0.332*** | 0.507*** | 0.812*** | 0.292*** | 0.377*** | 0.0977** |
| | (0.0172) | (0.0308) | (0.0360) | (0.0654) | (0.0686) | (0.0160) | (0.0346) | (0.0381) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S2.S continued**

| VARIABLES | (9)<br>pcf_hk | (10)<br>directimport | (11)<br>sellcredit | (12)<br>subcont | (13)<br>pcf_cont | (14)<br>reput_1 | (15)<br>reput_2 | (16)<br>reput_3 |
|---|---|---|---|---|---|---|---|---|
| Supbuy | -0.209 | -0.418** | -0.459** | 0.0418 | -0.822** | -0.752* | -0.229 | 0.534 |
|  | (0.344) | (0.175) | (0.192) | (0.332) | (0.392) | (0.390) | (0.636) | (0.520) |
| Samesup | 0.0648 | -0.145* | -0.00667 | 0.0414 | 0.0172 | -0.197 | -0.104 | -0.0594 |
|  | (0.157) | (0.0878) | (0.0788) | (0.0743) | (0.153) | (0.177) | (0.166) | (0.158) |
| samecus | 0.171 | -0.0495 | -0.0143 | -0.0332 | -0.0460 | 0.0466 | 0.0242 | -0.112 |
|  | (0.141) | (0.0429) | (0.0451) | (0.0685) | (0.106) | (0.0544) | (0.0665) | (0.116) |
| same_sec | -0.0778* | -0.0809** | -0.0152 | -0.0109 | -0.0969* | -0.000360 | -0.0586 | -0.0196 |
|  | (0.0470) | (0.0337) | (0.0262) | (0.0183) | (0.0568) | (0.0337) | (0.0471) | (0.0329) |
| ldist | -0.00648 | 0.00673** | 0.00892** | -0.00880** | 0.00715 | -0.00654** | -0.00712** | -0.000818 |
|  | (0.00844) | (0.00325) | (0.00440) | (0.00423) | (0.00962) | (0.00321) | (0.00321) | (0.00330) |
| ad_fmage | 0.000209 | 9.67e-05 | -8.44e-05 | -0.000669 | 0.000294 | -0.000854 | 0.000376 | 0.000526 |
|  | (0.00183) | (0.000238) | (0.000581) | (0.000562) | (0.00106) | (0.000725) | (0.00106) | (0.000943) |
| ad_meduc | -0.0147 | 0.0215* | 0.00583 | 0.00165 | 0.0279 | 0.000870 | 0.00329 | 0.00230 |
|  | (0.0131) | (0.0112) | (0.00657) | (0.00477) | (0.0173) | (0.00727) | (0.00754) | (0.00795) |
| ad_mexper | -0.000751 | -9.70e-05 | -0.000213 | -0.000397 | -0.000630 | 0.000670 | 0.000130 | -0.00114 |
|  | (0.00186) | (0.000304) | (0.000727) | (0.000632) | (0.00120) | (0.000804) | (0.000918) | (0.000702) |
| ad_mfemale | 0.204* | 0.00290 | -0.0164 | 0.0110 | -0.00177 | 0.0297 | 0.00214 | -0.0102 |
|  | (0.114) | (0.00675) | (0.0126) | (0.0382) | (0.0392) | (0.0332) | (0.0341) | (0.0252) |
| ad_lemp | 0.207*** | 0.0658*** | 0.00494 | -0.00398 | 0.0977*** | 0.0220 | -0.0130 | -0.00427 |
|  | (0.0499) | (0.0145) | (0.00781) | (0.0123) | (0.0264) | (0.0157) | (0.0113) | (0.0115) |
| secdist | 0.00306 | 0.0117** | 0.00195 | 0.00115 | 0.0117 | -0.00229 | 0.00842 | 0.00366 |
|  | (0.00872) | (0.00572) | (0.00557) | (0.00395) | (0.0104) | (0.00729) | (0.00806) | (0.00605) |
| seclink | 0.0288 | 0.0323 | 0.0537 | 0.0182 | 0.0618 | 0.0901 | 0.0705 | 0.0602 |
|  | (0.168) | (0.0868) | (0.0779) | (0.0708) | (0.153) | (0.140) | (0.137) | (0.141) |
| Constant | 0.740*** | 0.364*** | 0.419*** | 0.223*** | 0.907*** | 0.948*** | 0.985*** | 0.955*** |
|  | (0.0815) | (0.0299) | (0.0313) | (0.0434) | (0.0587) | (0.0309) | (0.0326) | (0.0309) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S2.S continued**

| VARIABLES | (17)<br>reput_4 | (18)<br>reput_5 | (19)<br>pcf_rep | (20)<br>lvademp | (21)<br>dlemp | (22)<br>growth1 | (23)<br>growth3 | (24)<br>pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.287 | 0.392 | 0.281 | 0 | -0.541* | -0.551 | 1.573 | 0 |
| | (0.646) | (0.645) | (0.798) | (0) | (0.277) | (0.785) | (2.537) | (0) |
| samesup | -0.0995 | -0.0905 | -0.0443 | -1.434** | -0.284 | -1.043*** | -0.802** | -0.629** |
| | (0.162) | (0.178) | (0.156) | (0.559) | (0.185) | (0.318) | (0.394) | (0.284) |
| samecus | -0.105 | 0.118** | 0.0414 | -0.946 | 0.0868 | -0.624*** | 0.284 | -0.0639 |
| | (0.112) | (0.0493) | (0.0863) | (0.684) | (0.139) | (0.209) | (0.451) | (0.219) |
| same_sec | -0.0118 | 0.0208 | -0.00343 | -0.320 | -0.0704 | -0.0915 | -0.0903 | -0.239 |
| | (0.0340) | (0.0316) | (0.0342) | (0.291) | (0.0618) | (0.114) | (0.212) | (0.167) |
| ldist | -0.00328 | -0.00496 | 0.00566 | -0.0662* | -0.0177 | -0.0526** | -0.0522 | -0.0146 |
| | (0.00301) | (0.00487) | (0.00701) | (0.0399) | (0.0113) | (0.0251) | (0.0351) | (0.0200) |
| ad_fmage | -0.000696 | 0.00154 | -0.00117 | -0.00498 | 0.00111 | 0.00861 | 0.00458 | 0.00600 |
| | (0.000812) | (0.00156) | (0.000985) | (0.00781) | (0.00216) | (0.00650) | (0.00745) | (0.00460) |
| ad_meduc | -0.00143 | 0.00724 | 0.00139 | 0.0468 | -0.00464 | -0.0332 | -0.0201 | 0.0120 |
| | (0.00704) | (0.00944) | (0.00863) | (0.0477) | (0.0116) | (0.0229) | (0.0267) | (0.0251) |
| ad_mexper | -0.000772 | -0.00118 | 0.000485 | -0.00728 | 0.000767 | 0.00304 | -0.00385 | -0.00181 |
| | (0.000947) | (0.00144) | (0.00169) | (0.00579) | (0.00132) | (0.00695) | (0.00580) | (0.00314) |
| ad_mfemale | 0.0157 | 0.0262 | 0.0370 | 0.376 | -0.00715 | -0.161 | 0.0561 | -0.138 |
| | (0.0387) | (0.0461) | (0.0481) | (0.582) | (0.0613) | (0.134) | (0.274) | (0.0959) |
| ad_lemp | -0.0267*** | -0.0311** | -0.0111 | 0.00746 | 0.0654** | 0.0906 | 0.102 | 0.0611 |
| | (0.00876) | (0.0133) | (0.0136) | (0.110) | (0.0258) | (0.0709) | (0.114) | (0.0599) |
| secdist | 0.00247 | 0.00173 | 0.00412 | 0.0382 | 0.00321 | 0.00876 | 0.00547 | 0.0307 |
| | (0.00628) | (0.00628) | (0.00674) | (0.0511) | (0.00845) | (0.0259) | (0.0315) | (0.0217) |
| seclink | -0.00581 | -0.0456 | 0.133 | -0.244 | 0.0255 | 0.315 | 0.183 | 0.373 |
| | (0.171) | (0.142) | (0.118) | (0.646) | (0.238) | (0.247) | (0.451) | (0.275) |
| Constant | 1.004*** | 0.894*** | 1.126*** | 3.775*** | 0.716*** | 1.523*** | 2.060*** | 0.994*** |
| | (0.0242) | (0.0489) | (0.0506) | (0.379) | (0.0995) | (0.290) | (0.337) | (0.222) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S2.S continued**

| VARIABLES | (25) Web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.00413 | 0.397 | -0.476** | -0.236 | 0.285 | 0.287 | 0.384 | 0.377 |
| | (0.339) | (0.366) | (0.196) | (0.346) | (0.268) | (0.361) | (0.368) | (0.674) |
| samesup | -0.131* | -0.156** | -0.0874 | -0.0620 | -0.0617 | -0.0554 | -0.0431 | -0.126 |
| | (0.0718) | (0.0742) | (0.0938) | (0.0857) | (0.0897) | (0.0844) | (0.0981) | (0.153) |
| samecus | 0.131*** | 0.111*** | 0.0326 | -0.00390 | -0.0737 | -0.0866 | 0.0850** | 0.0915 |
| | (0.0392) | (0.0314) | (0.0356) | (0.0449) | (0.0706) | (0.0661) | (0.0390) | (0.0982) |
| same_sec | -0.0280 | -0.0729*** | -0.000199 | -0.0330 | -0.00775 | -0.00419 | 0.0176 | 0.00165 |
| | (0.0233) | (0.0280) | (0.0187) | (0.0240) | (0.0218) | (0.0180) | (0.0190) | (0.0383) |
| ldist | -0.00982*** | -0.0156*** | -0.00569*** | -0.00465** | -0.000431 | -0.00284 | -0.00242 | 0.00531 |
| | (0.00334) | (0.00248) | (0.00177) | (0.00191) | (0.00309) | (0.00223) | (0.00392) | (0.00675) |
| ad_fmage | -0.00224*** | -0.000541 | -0.000663 | 0.000383 | 0.000436 | -0.000245 | 0.00110 | -0.000495 |
| | (0.000511) | (0.000914) | (0.000546) | (0.000691) | (0.000803) | (0.000623) | (0.00115) | (0.00121) |
| ad_meduc | -0.00629 | 0.0166 | -0.00187 | 0.00254 | 0.00206 | 0.000250 | 0.00508 | -0.00423 |
| | (0.00612) | (0.0108) | (0.00285) | (0.00439) | (0.00528) | (0.00489) | (0.00615) | (0.00882) |
| ad_mexper | 0.000328 | -0.00140** | 0.000438 | 0.000104 | -0.000965 | -0.000796 | -0.000884 | -0.000556 |
| | (0.00129) | (0.000569) | (0.000601) | (0.000560) | (0.000596) | (0.000688) | (0.00107) | (0.00186) |
| ad_mfemale | 0.239*** | 0.130*** | 0.0276 | 0.00233 | -0.00531 | 0.0115 | 0.0190 | 0.0657 |
| | (0.0527) | (0.0431) | (0.0244) | (0.0204) | (0.0228) | (0.0258) | (0.0293) | (0.0552) |
| ad_lemp | 0.0819*** | 0.0809*** | 0.0121 | -0.00905 | -0.00439 | -0.0177*** | -0.0186** | -0.0166 |
| | (0.0218) | (0.0227) | (0.0101) | (0.00659) | (0.00852) | (0.00583) | (0.00931) | (0.0154) |
| secdist | 0.000999 | 0.00216 | -0.00286 | 0.00399 | 0.00195 | 0.000335 | 0.000700 | 0.00289 |
| | (0.00406) | (0.00460) | (0.00383) | (0.00428) | (0.00380) | (0.00340) | (0.00358) | (0.00712) |
| seclink | 0.0359 | 0.0587 | 0.0207 | 0.0473 | 0.0514 | -0.00955 | -0.0507 | 0.0643 |
| | (0.0691) | (0.0755) | (0.0753) | (0.0788) | (0.0805) | (0.0832) | (0.0840) | (0.135) |
| Constant | 0.214*** | 0.323*** | 0.466*** | 0.486*** | 0.451*** | 0.492*** | 0.397*** | 1.107*** |
| | (0.0360) | (0.0350) | (0.0217) | (0.0202) | (0.0259) | (0.0198) | (0.0384) | (0.0537) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S3.S: Results for the baseline specification with interaction terms (similar firm size x network variables) added**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| Supbuy | 0.0165 | -0.203 | -0.342** | 0.448 | -0.298 | -0.0830 | -0.122 | 0.369 |
| | (0.351) | (0.327) | (0.141) | (0.571) | (0.237) | (0.0875) | (0.263) | (0.340) |
| Samesup | -0.100 | -0.177** | -0.175** | -0.277** | -0.327** | -0.00326 | 0.0235 | -0.0235 |
| | (0.0773) | (0.0826) | (0.0720) | (0.118) | (0.136) | (0.0428) | (0.0845) | (0.0621) |
| Samecus | 0.0168 | -0.00395 | 0.127*** | 0.227*** | 0.172* | -0.0416 | 0.0793** | 0.0194 |
| | (0.0228) | (0.0341) | (0.0370) | (0.0631) | (0.100) | (0.0295) | (0.0379) | (0.0729) |
| same_sec | 0.00455 | -0.00138 | -0.0133 | -0.0955*** | -0.0299 | 0.00208 | -0.0341* | -0.00870 |
| | (0.0101) | (0.0134) | (0.0185) | (0.0301) | (0.0309) | (0.00619) | (0.0189) | (0.0159) |
| Ldist | -2.85e-05 | -0.00107 | -0.0116*** | -0.0213*** | -0.0187*** | 0.00251 | -0.00783*** | -0.000565 |
| | (0.00176) | (0.00231) | (0.00291) | (0.00513) | (0.00602) | (0.00191) | (0.00299) | (0.00436) |
| ad_fmage | 0.000119 | 0.000256 | 0.000364 | -0.00318*** | -0.00102 | -0.000526* | -0.000422 | 0.000881 |
| | (0.000283) | (0.000368) | (0.00103) | (0.00120) | (0.00134) | (0.000298) | (0.000663) | (0.000991) |
| ad_meduc | 0.00575 | 0.0410*** | 0.00742 | 0.0187 | 0.0666*** | 0.00394 | -0.000371 | -0.0144*** |
| | (0.00615) | (0.0143) | (0.00921) | (0.0167) | (0.0235) | (0.00338) | (0.00572) | (0.00472) |
| ad_mexper | -1.79e-06 | -0.000297 | -0.000414 | -3.09e-05 | -0.000118 | 0.000262 | -0.00155*** | 0.000638 |
| | (0.000289) | (0.000267) | (0.00115) | (0.00218) | (0.00240) | (0.000591) | (0.000501) | (0.00108) |
| ad_mfemale | 0.00116 | 0.0355* | 0.0977** | 0.435*** | 0.241*** | 0.0299* | 0.0446 | 0.0847 |
| | (0.00633) | (0.0187) | (0.0396) | (0.0909) | (0.0750) | (0.0175) | (0.0375) | (0.0541) |
| ad_lemp | 0.0252*** | 0.0549*** | 0.0364** | 0.163*** | 0.203*** | 0.0216*** | 0.0558*** | 0.0788*** |
| | (0.00956) | (0.0141) | (0.0181) | (0.0449) | (0.0482) | (0.00575) | (0.0179) | (0.0218) |
| sizdist | 0.00314 | 0.00374 | -0.00467 | -0.00608 | 0.00831 | 0.00545*** | -0.00156 | 0.00135 |
| | (0.00234) | (0.00350) | (0.00441) | (0.00880) | (0.00907) | (0.00150) | (0.00396) | (0.00390) |
| sizlink | 0.0812 | 0.0957 | -0.0390 | 0.0123 | 0.0712 | 0.0212 | 0.0288 | 0.0180 |
| | (0.0713) | (0.0813) | (0.0815) | (0.142) | (0.138) | (0.0459) | (0.0966) | (0.0641) |
| Constant | 0.457*** | 0.370*** | 0.334*** | 0.510*** | 0.802*** | 0.287*** | 0.379*** | 0.0946** |
| | (0.0177) | (0.0296) | (0.0362) | (0.0689) | (0.0703) | (0.0162) | (0.0356) | (0.0391) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S3.S continued**

| VARIABLES | (9)<br>pcf_hk | (10)<br>directimport | (11)<br>sellcredit | (12)<br>subcont | (13)<br>pcf_cont | (14)<br>reput_1 | (15)<br>reput_2 | (16)<br>reput_3 |
|---|---|---|---|---|---|---|---|---|
| supbuy | -0.199 | -0.421** | -0.434** | 0.0469 | -0.809** | -0.703* | -0.209 | 0.558 |
|  | (0.336) | (0.173) | (0.176) | (0.330) | (0.379) | (0.372) | (0.622) | (0.515) |
| samesup | 0.0508 | -0.158** | 0.00810 | 0.0160 | -8.64e-05 | -0.111 | -0.0894 | -0.0473 |
|  | (0.155) | (0.0803) | (0.0787) | (0.0720) | (0.140) | (0.166) | (0.171) | (0.147) |
| samecus | 0.164 | -0.0511 | -0.0104 | -0.0442 | -0.0514 | 0.0757 | 0.0301 | -0.109 |
|  | (0.146) | (0.0425) | (0.0427) | (0.0633) | (0.0978) | (0.0568) | (0.0705) | (0.116) |
| same_sec | -0.0644* | -0.0299* | -0.00606 | -0.00578 | -0.0460* | -0.00877 | -0.0213 | -0.00305 |
|  | (0.0375) | (0.0157) | (0.0137) | (0.0132) | (0.0279) | (0.0213) | (0.0281) | (0.0193) |
| ldist | -0.00652 | 0.00761** | 0.00869** | -0.00813** | 0.00779 | -0.00713** | -0.00615** | -0.000492 |
|  | (0.00833) | (0.00319) | (0.00430) | (0.00403) | (0.00945) | (0.00315) | (0.00304) | (0.00327) |
| ad_fmage | 0.000210 | 0.000102 | -8.47e-05 | -0.000665 | 0.000300 | -0.000857 | 0.000383 | 0.000530 |
|  | (0.00183) | (0.000240) | (0.000582) | (0.000563) | (0.00107) | (0.000726) | (0.00106) | (0.000943) |
| ad_meduc | -0.0147 | 0.0216* | 0.00593 | 0.00153 | 0.0280 | 0.000944 | 0.00326 | 0.00232 |
|  | (0.0130) | (0.0112) | (0.00658) | (0.00477) | (0.0173) | (0.00721) | (0.00756) | (0.00795) |
| ad_mexper | -0.000748 | -9.45e-05 | -0.000210 | -0.000397 | -0.000626 | 0.000671 | 0.000131 | -0.00113 |
|  | (0.00185) | (0.000305) | (0.000727) | (0.000633) | (0.00121) | (0.000803) | (0.000917) | (0.000702) |
| ad_mfemale | 0.204* | 0.00266 | -0.0164 | 0.0109 | -0.00202 | 0.0297 | 0.00191 | -0.0103 |
|  | (0.114) | (0.00685) | (0.0126) | (0.0382) | (0.0391) | (0.0333) | (0.0342) | (0.0252) |
| ad_lemp | 0.209*** | 0.0685*** | 0.00721 | -0.00630 | 0.102*** | 0.0230 | -0.0128 | -0.00365 |
|  | (0.0527) | (0.0146) | (0.00814) | (0.0134) | (0.0270) | (0.0161) | (0.0120) | (0.0125) |
| sizdist | 0.00333 | 0.00426 | 0.00365* | -0.00403 | 0.00587 | 0.00220 | 0.000319 | 0.000895 |
|  | (0.00868) | (0.00367) | (0.00217) | (0.00348) | (0.00592) | (0.00551) | (0.00450) | (0.00373) |
| sizlink | 0.108 | 0.0586 | 0.0326 | 0.120 | 0.128 | -0.167 | 0.0267 | 0.0428 |
|  | (0.177) | (0.0846) | (0.0916) | (0.0752) | (0.142) | (0.167) | (0.198) | (0.144) |
| Constant | 0.736*** | 0.354*** | 0.414*** | 0.225*** | 0.896*** | 0.948*** | 0.980*** | 0.952*** |
|  | (0.0851) | (0.0299) | (0.0305) | (0.0444) | (0.0585) | (0.0307) | (0.0328) | (0.0316) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S3.S continued**

| VARIABLES | (17) reput_4 | (18) reput_5 | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.281 | 0.369 | 0.342 | 0 | -0.536** | -0.427 | 1.637 | 0 |
| | (0.614) | (0.637) | (0.784) | (0) | (0.222) | (0.674) | (2.479) | (0) |
| samesup | -0.104 | -0.103 | -0.00129 | -1.579*** | -0.245** | -0.871** | -0.745* | -0.486** |
| | (0.142) | (0.152) | (0.158) | (0.486) | (0.120) | (0.351) | (0.401) | (0.212) |
| samecus | -0.105 | 0.116** | 0.0534 | -0.967 | 0.102 | -0.572*** | 0.295 | -0.0104 |
| | (0.113) | (0.0515) | (0.0881) | (0.682) | (0.146) | (0.201) | (0.445) | (0.228) |
| same_sec | -0.00128 | 0.0275* | 0.0162 | -0.127 | -0.0553 | -0.0454 | -0.0611 | -0.0760 |
| | (0.0186) | (0.0164) | (0.0189) | (0.157) | (0.0393) | (0.0681) | (0.132) | (0.0863) |
| ldist | -0.00318 | -0.00529 | 0.00539 | -0.0536 | -0.0171 | -0.0493** | -0.0491 | -0.0106 |
| | (0.00282) | (0.00473) | (0.00705) | (0.0374) | (0.0109) | (0.0232) | (0.0334) | (0.0180) |
| ad_fmage | -0.000696 | 0.00154 | -0.00117 | -0.00484 | 0.00112 | 0.00862 | 0.00459 | 0.00602 |
| | (0.000812) | (0.00156) | (0.000984) | (0.00780) | (0.00216) | (0.00651) | (0.00746) | (0.00458) |
| ad_meduc | -0.00140 | 0.00733 | 0.00155 | 0.0423 | -0.00472 | -0.0337 | -0.0207 | 0.0115 |
| | (0.00705) | (0.00940) | (0.00863) | (0.0469) | (0.0117) | (0.0228) | (0.0268) | (0.0252) |
| ad_mexper | -0.000771 | -0.00118 | 0.000492 | -0.00734 | 0.000762 | 0.00303 | -0.00384 | -0.00186 |
| | (0.000949) | (0.00144) | (0.00169) | (0.00577) | (0.00132) | (0.00696) | (0.00580) | (0.00313) |
| ad_mfemale | 0.0157 | 0.0262 | 0.0370 | 0.369 | -0.00735 | -0.161 | 0.0564 | -0.137 |
| | (0.0387) | (0.0462) | (0.0481) | (0.581) | (0.0615) | (0.134) | (0.275) | (0.0962) |
| ad_lemp | -0.0257*** | -0.0286** | -0.00741 | -0.0289 | 0.0637** | 0.0797 | 0.0906 | 0.0626 |
| | (0.00946) | (0.0142) | (0.0141) | (0.110) | (0.0262) | (0.0739) | (0.119) | (0.0624) |
| sizdist | 0.00162 | 0.00423 | 0.00595 | -0.0566** | -0.00242 | -0.0165 | -0.0188 | 0.00228 |
| | (0.00398) | (0.00378) | (0.00518) | (0.0287) | (0.00573) | (0.0157) | (0.0236) | (0.0148) |
| sizlink | -0.00144 | -0.0345 | 0.0535 | -0.260 | -0.118 | -0.138 | 0.0733 | 0.0163 |
| | (0.155) | (0.151) | (0.139) | (0.525) | (0.140) | (0.272) | (0.539) | (0.239) |
| Constant | 1.002*** | 0.890*** | 1.119*** | 3.797*** | 0.717*** | 1.531*** | 2.070*** | 0.971*** |
| | (0.0257) | (0.0492) | (0.0500) | (0.386) | (0.0992) | (0.295) | (0.337) | (0.220) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S3.S continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0194 | 0.419 | -0.460** | -0.219 | 0.308 | 0.282 | 0.359 | 0.407 |
| | (0.329) | (0.361) | (0.185) | (0.331) | (0.262) | (0.343) | (0.365) | (0.656) |
| samesup | -0.123* | -0.137** | -0.0510 | -0.0526 | -0.0479 | -0.0570 | -0.0680 | -0.109 |
| | (0.0675) | (0.0653) | (0.0884) | (0.0870) | (0.0815) | (0.0769) | (0.0804) | (0.146) |
| samecus | 0.132*** | 0.117*** | 0.0451 | -0.000960 | -0.0701 | -0.0865 | 0.0780** | 0.0961 |
| | (0.0390) | (0.0337) | (0.0360) | (0.0464) | (0.0689) | (0.0655) | (0.0394) | (0.101) |
| same_sec | -0.0232 | -0.0628*** | -0.0122 | -0.0152 | 0.00139 | -0.00288 | 0.0198** | 0.0150 |
| | (0.0150) | (0.0192) | (0.0139) | (0.0154) | (0.0118) | (0.0113) | (0.00980) | (0.0231) |
| ldist | -0.00952*** | -0.0147*** | -0.00613*** | -0.00419** | -0.000521 | -0.00287 | -0.00275 | 0.00472 |
| | (0.00327) | (0.00227) | (0.00169) | (0.00190) | (0.00301) | (0.00217) | (0.00386) | (0.00674) |
| ad_fmage | -0.00224*** | -0.000535 | -0.000666 | 0.000387 | 0.000437 | -0.000245 | 0.00109 | -0.000497 |
| | (0.000509) | (0.000914) | (0.000546) | (0.000691) | (0.000804) | (0.000623) | (0.00115) | (0.00121) |
| ad_meduc | -0.00632 | 0.0165 | -0.00184 | 0.00253 | 0.00212 | 0.000260 | 0.00515 | -0.00405 |
| | (0.00612) | (0.0108) | (0.00283) | (0.00439) | (0.00528) | (0.00489) | (0.00614) | (0.00882) |
| ad_mexper | 0.000328 | -0.00141** | 0.000438 | 0.000105 | -0.000962 | -0.000796 | -0.000883 | -0.000550 |
| | (0.00129) | (0.000567) | (0.000600) | (0.000560) | (0.000596) | (0.000689) | (0.00108) | (0.00186) |
| ad_mfemale | 0.239*** | 0.130*** | 0.0277 | 0.00223 | -0.00533 | 0.0115 | 0.0190 | 0.0658 |
| | (0.0528) | (0.0431) | (0.0244) | (0.0204) | (0.0228) | (0.0258) | (0.0293) | (0.0552) |
| ad_lemp | 0.0811*** | 0.0779*** | 0.0123 | -0.00887 | -0.00280 | -0.0174*** | -0.0166* | -0.0121 |
| | (0.0234) | (0.0241) | (0.0104) | (0.00704) | (0.00915) | (0.00637) | (0.00991) | (0.0163) |
| sizdist | -0.00140 | -0.00502 | 0.000652 | 0.000215 | 0.00254 | 0.000548 | 0.00332 | 0.00731 |
| | (0.00434) | (0.00500) | (0.00306) | (0.00224) | (0.00229) | (0.00233) | (0.00230) | (0.00547) |
| sizlink | 0.0295 | 0.0101 | -0.0930 | 0.0281 | 0.0310 | -0.0114 | 0.0108 | 0.0441 |
| | (0.0756) | (0.0932) | (0.0893) | (0.107) | (0.0843) | (0.0876) | (0.0831) | (0.152) |
| Constant | 0.214*** | 0.325*** | 0.468*** | 0.483*** | 0.448*** | 0.492*** | 0.394*** | 1.100*** |
| | (0.0379) | (0.0368) | (0.0219) | (0.0204) | (0.0264) | (0.0209) | (0.0387) | (0.0532) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S4.S: Results for the baseline specification with a dummy variable for location in the same town added.**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0148 | -0.206 | -0.341** | 0.450 | -0.304 | -0.0872 | -0.122 | 0.365 |
| | (0.351) | (0.325) | (0.141) | (0.571) | (0.230) | (0.0886) | (0.263) | (0.349) |
| samesup | -0.0800 | -0.154* | -0.182*** | -0.271** | -0.308** | 0.000282 | 0.0316 | -0.0175 |
| | (0.0740) | (0.0790) | (0.0645) | (0.109) | (0.130) | (0.0439) | (0.0844) | (0.0543) |
| samecus | 0.0243 | 0.00623 | 0.127*** | 0.231*** | 0.183* | -0.0375 | 0.0837** | 0.0282 |
| | (0.0221) | (0.0336) | (0.0347) | (0.0608) | (0.101) | (0.0286) | (0.0378) | (0.0704) |
| same_sec | 0.00459 | -0.00127 | -0.0132 | -0.0955*** | -0.0298 | 0.00218 | -0.0341* | -0.00860 |
| | (0.0101) | (0.0134) | (0.0185) | (0.0303) | (0.0311) | (0.00622) | (0.0190) | (0.0159) |
| ldist | 0.00220 | -0.00557 | -0.0333*** | -0.0303 | -0.0465* | -0.0132 | -0.0143 | -0.0422** |
| | (0.00489) | (0.00775) | (0.0107) | (0.0237) | (0.0254) | (0.00810) | (0.0121) | (0.0176) |
| ad_fmage | 0.000123 | 0.000252 | 0.000333 | -0.00319*** | -0.00105 | -0.000544* | -0.000431 | 0.000825 |
| | (0.000284) | (0.000366) | (0.00102) | (0.00120) | (0.00133) | (0.000294) | (0.000661) | (0.000970) |
| ad_meduc | 0.00555 | 0.0413*** | 0.00900 | 0.0195 | 0.0683*** | 0.00494 | 0.000108 | -0.0115*** |
| | (0.00617) | (0.0146) | (0.00923) | (0.0168) | (0.0236) | (0.00343) | (0.00594) | (0.00447) |
| ad_mexper | 2.37e-06 | -0.000322 | -0.000497 | -6.26e-05 | -0.000238 | 0.000188 | -0.00158*** | 0.000459 |
| | (0.000288) | (0.000271) | (0.00120) | (0.00223) | (0.00248) | (0.000587) | (0.000493) | (0.00104) |
| ad_mfemale | 0.00137 | 0.0348* | 0.0950** | 0.434*** | 0.237*** | 0.0277 | 0.0438 | 0.0795 |
| | (0.00625) | (0.0189) | (0.0396) | (0.0916) | (0.0764) | (0.0178) | (0.0375) | (0.0539) |
| ad_lemp | 0.0234*** | 0.0519*** | 0.0369** | 0.166*** | 0.194*** | 0.0163*** | 0.0560*** | 0.0731*** |
| | (0.00905) | (0.0146) | (0.0174) | (0.0422) | (0.0455) | (0.00580) | (0.0172) | (0.0208) |
| sametown | 0.0118 | -0.0321 | -0.136** | -0.0534 | -0.187 | -0.106** | -0.0405 | -0.270** |
| | (0.0297) | (0.0543) | (0.0674) | (0.143) | (0.158) | (0.0499) | (0.0729) | (0.121) |
| Constant | 0.448*** | 0.405*** | 0.464*** | 0.557*** | 0.992*** | 0.396*** | 0.418*** | 0.361*** |
| | (0.0318) | (0.0568) | (0.0815) | (0.164) | (0.175) | (0.0529) | (0.0834) | (0.118) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S4.S continued**

| VARIABLES | (9) pcf_hk | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont | (14) reput_1 | (15) reput_2 | (16) reput_3 |
|---|---|---|---|---|---|---|---|---|
| supbuy | -0.205 | -0.425** | -0.435** | 0.0485 | -0.817** | -0.704* | -0.208 | 0.559 |
| | (0.351) | (0.175) | (0.176) | (0.329) | (0.372) | (0.373) | (0.626) | (0.518) |
| samesup | 0.0768 | -0.144* | 0.0147 | 0.0482 | 0.0351 | -0.154 | -0.0836 | -0.0376 |
| | (0.147) | (0.0760) | (0.0788) | (0.0810) | (0.134) | (0.166) | (0.164) | (0.145) |
| samecus | 0.185 | -0.0417 | -0.00873 | -0.0302 | -0.0261 | 0.0581 | 0.0300 | -0.107 |
| | (0.141) | (0.0419) | (0.0437) | (0.0649) | (0.101) | (0.0558) | (0.0662) | (0.117) |
| same_sec | -0.0642* | -0.0298* | -0.00604 | -0.00569 | -0.0455 | -0.00888 | -0.0213 | -0.00307 |
| | (0.0377) | (0.0157) | (0.0136) | (0.0131) | (0.0284) | (0.0213) | (0.0281) | (0.0194) |
| ldist | -0.0669** | -0.0152 | 0.0158 | -0.0130 | -0.0608* | -0.00770 | 0.0105 | 0.0157 |
| | (0.0320) | (0.00972) | (0.0166) | (0.0108) | (0.0325) | (0.0124) | (0.0190) | (0.0186) |
| ad_fmage | 0.000134 | 7.33e-05 | -7.32e-05 | -0.000673 | 0.000226 | -0.000855 | 0.000405 | 0.000552 |
| | (0.00181) | (0.000250) | (0.000582) | (0.000561) | (0.00105) | (0.000721) | (0.00106) | (0.000952) |
| ad_meduc | -0.0105 | 0.0231** | 0.00537 | 0.00195 | 0.0328* | 0.000958 | 0.00210 | 0.00117 |
| | (0.0130) | (0.0111) | (0.00635) | (0.00493) | (0.0174) | (0.00761) | (0.00757) | (0.00781) |
| ad_mexper | -0.00101 | -0.000198 | -0.000184 | -0.000414 | -0.000908 | 0.000669 | 0.000201 | -0.00107 |
| | (0.00181) | (0.000295) | (0.000723) | (0.000627) | (0.00122) | (0.000817) | (0.000901) | (0.000698) |
| ad_mfemale | 0.196* | -0.000363 | -0.0156 | 0.0104 | -0.0108 | 0.0297 | 0.00399 | -0.00830 |
| | (0.115) | (0.00730) | (0.0127) | (0.0382) | (0.0384) | (0.0332) | (0.0337) | (0.0244) |
| ad_lemp | 0.200*** | 0.0631*** | 0.00573 | -0.00447 | 0.0899*** | 0.0218 | -0.0111 | -0.00237 |
| | (0.0499) | (0.0147) | (0.00790) | (0.0127) | (0.0261) | (0.0158) | (0.0113) | (0.0116) |
| sametown | -0.392* | -0.151** | 0.0432 | -0.0278 | -0.448** | -0.00566 | 0.107 | 0.104 |
| | (0.211) | (0.0747) | (0.101) | (0.0632) | (0.218) | (0.0797) | (0.117) | (0.109) |
| Constant | 1.123*** | 0.506*** | 0.375*** | 0.249*** | 1.340*** | 0.955*** | 0.875*** | 0.851*** |
| | (0.220) | (0.0714) | (0.105) | (0.0780) | (0.214) | (0.0852) | (0.130) | (0.124) |

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

**Table S4.S continued**

| VARIABLES | (17) reput_4 | (18) reput_5 | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.280 | 0.368 | 0.336 | 0 | -0.533** | -0.468 | 1.627 | 0 |
| | (0.614) | (0.638) | (0.774) | (0) | (0.221) | (0.651) | (2.462) | (0) |
| samesup | -0.105 | -0.114 | 0.0117 | -1.654*** | -0.278** | -0.891*** | -0.703** | -0.467** |
| | (0.141) | (0.164) | (0.151) | (0.452) | (0.122) | (0.333) | (0.349) | (0.200) |
| samecus | -0.107 | 0.109** | 0.0640 | -0.990 | 0.0883 | -0.562*** | 0.315 | -0.00189 |
| | (0.112) | (0.0478) | (0.0885) | (0.659) | (0.140) | (0.203) | (0.445) | (0.217) |
| same_sec | -0.00130 | 0.0275* | 0.0164 | -0.135 | -0.0557 | -0.0462 | -0.0615 | -0.0737 |
| | (0.0186) | (0.0164) | (0.0187) | (0.156) | (0.0392) | (0.0677) | (0.132) | (0.0862) |
| ldist | 0.00532 | 0.0141 | -0.0296 | -0.0376 | -0.00877 | -0.176** | -0.108 | -0.0595 |
| | (0.0183) | (0.0229) | (0.0281) | (0.104) | (0.0453) | (0.0766) | (0.0973) | (0.0577) |
| ad_fmage | -0.000684 | 0.00157 | -0.00121 | -0.00491 | 0.00113 | 0.00856 | 0.00454 | 0.00600 |
| | (0.000807) | (0.00157) | (0.000976) | (0.00780) | (0.00215) | (0.00657) | (0.00742) | (0.00455) |
| ad_meduc | -0.00202 | 0.00592 | 0.00387 | 0.0442 | -0.00531 | -0.0235 | -0.0153 | 0.0158 |
| | (0.00686) | (0.00920) | (0.00847) | (0.0482) | (0.0111) | (0.0238) | (0.0269) | (0.0260) |
| ad_mexper | -0.000737 | -0.00110 | 0.000334 | -0.00721 | 0.000805 | 0.00248 | -0.00410 | -0.00205 |
| | (0.000935) | (0.00142) | (0.00174) | (0.00587) | (0.00131) | (0.00707) | (0.00564) | (0.00304) |
| ad_mfemale | 0.0167 | 0.0285 | 0.0324 | 0.379 | -0.00632 | -0.178 | 0.0487 | -0.147 |
| | (0.0385) | (0.0459) | (0.0481) | (0.587) | (0.0617) | (0.132) | (0.275) | (0.0995) |
| ad_lemp | -0.0257*** | -0.0289** | -0.0153 | 0.0104 | 0.0662** | 0.0747 | 0.0944 | 0.0556 |
| | (0.00862) | (0.0133) | (0.0135) | (0.115) | (0.0272) | (0.0705) | (0.116) | (0.0599) |
| sametown | 0.0537 | 0.122 | -0.231 | 0.158 | 0.0559 | -0.818* | -0.369 | -0.333 |
| | (0.109) | (0.129) | (0.169) | (0.615) | (0.257) | (0.428) | (0.556) | (0.301) |
| Constant | 0.950*** | 0.773*** | 1.351*** | 3.600*** | 0.660** | 2.313*** | 2.414*** | 1.289*** |
| | (0.120) | (0.148) | (0.178) | (0.725) | (0.281) | (0.566) | (0.620) | (0.394) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S4.S continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0199 | 0.421 | -0.460** | -0.219 | 0.308 | 0.283 | 0.359 | 0.403 |
|  | (0.330) | (0.361) | (0.185) | (0.334) | (0.265) | (0.343) | (0.366) | (0.652) |
| samesup | -0.116* | -0.132** | -0.0749 | -0.0461 | -0.0419 | -0.0604 | -0.0675 | -0.100 |
|  | (0.0619) | (0.0637) | (0.0882) | (0.0822) | (0.0810) | (0.0741) | (0.0841) | (0.140) |
| samecus | 0.135*** | 0.120*** | 0.0348 | 0.000112 | -0.0704 | -0.0892 | 0.0753** | 0.100 |
|  | (0.0374) | (0.0298) | (0.0362) | (0.0447) | (0.0704) | (0.0654) | (0.0382) | (0.102) |
| same_sec | -0.0232 | -0.0628*** | -0.0122 | -0.0152 | 0.00136 | -0.00291 | 0.0197** | 0.0151 |
|  | (0.0151) | (0.0192) | (0.0139) | (0.0154) | (0.0118) | (0.0113) | (0.00988) | (0.0230) |
| ldist | -0.0114 | -0.0223** | -0.00318 | 0.00653 | 0.0180 | 0.00552 | 0.0171 | 0.00181 |
|  | (0.0161) | (0.0101) | (0.00891) | (0.0114) | (0.0149) | (0.0123) | (0.0163) | (0.0294) |
| ad_fmage | -0.00225*** | -0.000548 | -0.000661 | 0.000401 | 0.000463 | -0.000234 | 0.00112 | -0.000497 |
|  | (0.000512) | (0.000914) | (0.000544) | (0.000693) | (0.000807) | (0.000621) | (0.00115) | (0.00121) |
| ad_meduc | -0.00617 | 0.0171 | -0.00205 | 0.00178 | 0.000791 | -0.000331 | 0.00372 | -0.00397 |
|  | (0.00618) | (0.0110) | (0.00309) | (0.00439) | (0.00522) | (0.00478) | (0.00602) | (0.00851) |
| ad_mexper | 0.000321 | -0.00143** | 0.000451 | 0.000151 | -0.000886 | -0.000760 | -0.000802 | -0.000572 |
|  | (0.00131) | (0.000584) | (0.000604) | (0.000546) | (0.000598) | (0.000676) | (0.00105) | (0.00187) |
| ad_mfemale | 0.239*** | 0.129*** | 0.0281 | 0.00356 | -0.00308 | 0.0125 | 0.0214 | 0.0652 |
|  | (0.0532) | (0.0433) | (0.0244) | (0.0202) | (0.0223) | (0.0258) | (0.0292) | (0.0554) |
| ad_lemp | 0.0817*** | 0.0801*** | 0.0124 | -0.00778 | -0.00225 | -0.0167*** | -0.0163* | -0.0171 |
|  | (0.0218) | (0.0228) | (0.0101) | (0.00647) | (0.00844) | (0.00577) | (0.00939) | (0.0154) |
| sametown | -0.0112 | -0.0448 | 0.0184 | 0.0691 | 0.118 | 0.0538 | 0.126 | -0.0248 |
|  | (0.0987) | (0.0597) | (0.0539) | (0.0678) | (0.0856) | (0.0701) | (0.0918) | (0.172) |
| Constant | 0.225** | 0.365*** | 0.450*** | 0.416*** | 0.335*** | 0.439*** | 0.273*** | 1.130*** |
|  | (0.110) | (0.0696) | (0.0613) | (0.0760) | (0.0955) | (0.0813) | (0.106) | (0.186) |

Standard errors in parentheses
*** $p<0.01$, ** $p<0.05$, * $p<0.1$

**Table S5.S: Results for an alternative specification in which a single dummy variable for connectedness (*anylink*) replaces the three trading relationship dummies in the baseline specification**

| VARIABLES | (1) Newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| anylink | 0.00393 | -0.0278 | 0.0580 | 0.130** | 0.0795 | -0.0325 | 0.0719** | 0.0147 |
|  | (0.0227) | (0.0295) | (0.0382) | (0.0597) | (0.0914) | (0.0254) | (0.0318) | (0.0611) |
| same_sec | 0.00407 | -0.00218 | -0.0151 | -0.0982*** | -0.0325 | 0.00232 | -0.0344* | -0.00885 |
|  | (0.0102) | (0.0133) | (0.0186) | (0.0302) | (0.0312) | (0.00624) | (0.0189) | (0.0160) |
| ldist | 0.000432 | -0.000509 | -0.0120*** | -0.0218*** | -0.0173*** | 0.00318 | -0.00799** | -0.000379 |
|  | (0.00165) | (0.00221) | (0.00301) | (0.00530) | (0.00599) | (0.00195) | (0.00314) | (0.00434) |
| ad_fmage | 0.000123 | 0.000263 | 0.000370 | -0.00317*** | -0.00100 | -0.000523* | -0.000422 | 0.000881 |
|  | (0.000283) | (0.000368) | (0.00104) | (0.00120) | (0.00134) | (0.000299) | (0.000663) | (0.000992) |
| ad_meduc | 0.00565 | 0.0409*** | 0.00750 | 0.0188 | 0.0663*** | 0.00382 | -0.000349 | -0.0145*** |
|  | (0.00616) | (0.0144) | (0.00929) | (0.0167) | (0.0236) | (0.00339) | (0.00577) | (0.00474) |
| ad_mexper | -4.12e-06 | -0.000299 | -0.000408 | -2.31e-05 | -0.000120 | 0.000258 | -0.00155*** | 0.000637 |
|  | (0.000287) | (0.000265) | (0.00116) | (0.00218) | (0.00240) | (0.000598) | (0.000500) | (0.00108) |
| ad_mfemale | 0.00137 | 0.0358* | 0.0985** | 0.436*** | 0.242*** | 0.0297* | 0.0447 | 0.0847 |
|  | (0.00630) | (0.0187) | (0.0396) | (0.0909) | (0.0752) | (0.0176) | (0.0374) | (0.0541) |
| ad_lemp | 0.0232** | 0.0525*** | 0.0396** | 0.167*** | 0.198*** | 0.0182*** | 0.0567*** | 0.0780*** |
|  | (0.00912) | (0.0143) | (0.0175) | (0.0421) | (0.0457) | (0.00569) | (0.0170) | (0.0205) |
| Constant | 0.460*** | 0.373*** | 0.329*** | 0.503*** | 0.807*** | 0.292*** | 0.378*** | 0.0956** |
|  | (0.0174) | (0.0302) | (0.0357) | (0.0660) | (0.0687) | (0.0158) | (0.0345) | (0.0381) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S5.S continued**

| VARIABLES | (9) pcf_hk | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont | (14) reput_1 | (15) reput_2 | (16) reput_3 |
|---|---|---|---|---|---|---|---|---|
| anylink | 0.154 | -0.0676* | -0.00467 | -0.0138 | -0.0276 | 0.0122 | 0.00939 | -0.0862 |
| | (0.120) | (0.0378) | (0.0365) | (0.0540) | (0.0810) | (0.0566) | (0.0629) | (0.0940) |
| same_sec | -0.0650* | -0.0305* | -0.00597 | -0.00526 | -0.0456 | -0.0102 | -0.0219 | -0.00255 |
| | (0.0374) | (0.0157) | (0.0137) | (0.0130) | (0.0279) | (0.0212) | (0.0282) | (0.0192) |
| ldist | -0.00606 | 0.00820*** | 0.00915** | -0.00872** | 0.00852 | -0.00670** | -0.00604** | -0.000429 |
| | (0.00848) | (0.00314) | (0.00422) | (0.00415) | (0.00923) | (0.00305) | (0.00308) | (0.00322) |
| ad_fmage | 0.000215 | 0.000108 | -8.13e-05 | -0.000670 | 0.000304 | -0.000847 | 0.000386 | 0.000526 |
| | (0.00183) | (0.000239) | (0.000582) | (0.000563) | (0.00107) | (0.000722) | (0.00106) | (0.000943) |
| ad_meduc | -0.0148 | 0.0214* | 0.00583 | 0.00166 | 0.0278 | 0.000845 | 0.00323 | 0.00232 |
| | (0.0131) | (0.0112) | (0.00657) | (0.00477) | (0.0173) | (0.00728) | (0.00755) | (0.00795) |
| ad_mexper | -0.000749 | -9.66e-05 | -0.000212 | -0.000397 | -0.000630 | 0.000675 | 0.000132 | -0.00114 |
| | (0.00185) | (0.000305) | (0.000727) | (0.000633) | (0.00121) | (0.000804) | (0.000917) | (0.000702) |
| ad_mfemale | 0.204* | 0.00284 | -0.0165 | 0.0107 | -0.00219 | 0.0303 | 0.00219 | -0.0105 |
| | (0.114) | (0.00684) | (0.0126) | (0.0382) | (0.0391) | (0.0333) | (0.0341) | (0.0252) |
| ad_lemp | 0.207*** | 0.0659*** | 0.00494 | -0.00403 | 0.0977*** | 0.0221 | -0.0129 | -0.00431 |
| | (0.0499) | (0.0145) | (0.00782) | (0.0123) | (0.0264) | (0.0157) | (0.0113) | (0.0115) |
| Constant | 0.738*** | 0.357*** | 0.417*** | 0.223*** | 0.901*** | 0.948*** | 0.980*** | 0.953*** |
| | (0.0821) | (0.0297) | (0.0308) | (0.0433) | (0.0582) | (0.0304) | (0.0324) | (0.0306) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S5.S continued**

| VARIABLES | (17)<br>reput_4 | (18)<br>reput_5 | (19)<br>pcf_rep | (20)<br>lvademp | (21)<br>dlemp | (22)<br>growth1 | (23)<br>growth3 | (24)<br>pcf_perf |
|---|---|---|---|---|---|---|---|---|
| anylink | -0.102 | 0.0691 | 0.0513 | -1.235** | 0.00643 | -0.660*** | -0.000732 | -0.202 |
| | (0.0897) | (0.0494) | (0.0742) | (0.496) | (0.108) | (0.196) | (0.332) | (0.167) |
| same_sec | -0.00121 | 0.0264 | 0.0160 | -0.141 | -0.0578 | -0.0484 | -0.0709 | -0.0800 |
| | (0.0184) | (0.0166) | (0.0188) | (0.155) | (0.0399) | (0.0683) | (0.134) | (0.0878) |
| ldist | -0.00298 | -0.00462 | 0.00617 | -0.0604 | -0.0171 | -0.0512** | -0.0505 | -0.00942 |
| | (0.00283) | (0.00473) | (0.00705) | (0.0386) | (0.0110) | (0.0240) | (0.0344) | (0.0185) |
| ad_fmage | -0.000696 | 0.00155 | -0.00117 | -0.00489 | 0.00113 | 0.00862 | 0.00462 | 0.00605 |
| | (0.000812) | (0.00156) | (0.000985) | (0.00781) | (0.00216) | (0.00651) | (0.00746) | (0.00458) |
| ad_meduc | -0.00144 | 0.00719 | 0.00139 | 0.0458 | -0.00477 | -0.0333 | -0.0203 | 0.0111 |
| | (0.00709) | (0.00945) | (0.00864) | (0.0473) | (0.0116) | (0.0228) | (0.0267) | (0.0250) |
| ad_mexper | -0.000773 | -0.00118 | 0.000487 | -0.00731 | 0.000772 | 0.00303 | -0.00385 | -0.00185 |
| | (0.000949) | (0.00144) | (0.00169) | (0.00577) | (0.00132) | (0.00695) | (0.00580) | (0.00313) |
| ad_mfemale | 0.0156 | 0.0266 | 0.0369 | 0.378 | -0.00612 | -0.161 | 0.0592 | -0.134 |
| | (0.0388) | (0.0461) | (0.0481) | (0.581) | (0.0612) | (0.134) | (0.274) | (0.0954) |
| ad_lemp | -0.0267*** | -0.0310** | -0.0111 | 0.00792 | 0.0656** | 0.0909 | 0.103 | 0.0619 |
| | (0.00873) | (0.0132) | (0.0136) | (0.110) | (0.0259) | (0.0709) | (0.114) | (0.0600) |
| Constant | 1.003*** | 0.893*** | 1.123*** | 3.747*** | 0.713*** | 1.516*** | 2.050*** | 0.967*** |
| | (0.0243) | (0.0487) | (0.0500) | (0.377) | (0.0972) | (0.288) | (0.328) | (0.212) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S5.S continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| anylink | 0.0864** | 0.0722** | 0.0110 | -0.00828 | -0.0597 | -0.0799 | 0.0512 | 0.0621 |
| | (0.0349) | (0.0303) | (0.0340) | (0.0396) | (0.0560) | (0.0536) | (0.0344) | (0.0842) |
| same_sec | -0.0245 | -0.0640*** | -0.0129 | -0.0154 | 0.00163 | -0.00268 | 0.0191* | 0.0140 |
| | (0.0151) | (0.0192) | (0.0138) | (0.0155) | (0.0117) | (0.0113) | (0.00991) | (0.0231) |
| ldist | -0.00957*** | -0.0152*** | -0.00596*** | -0.00414** | -0.000221 | -0.00282 | -0.00225 | 0.00576 |
| | (0.00332) | (0.00235) | (0.00170) | (0.00190) | (0.00301) | (0.00220) | (0.00387) | (0.00672) |
| ad_fmage | -0.00224*** | -0.000535 | -0.000661 | 0.000388 | 0.000437 | -0.000247 | 0.00110 | -0.000489 |
| | (0.000512) | (0.000917) | (0.000545) | (0.000691) | (0.000803) | (0.000622) | (0.00115) | (0.00121) |
| ad_meduc | -0.00634 | 0.0165 | -0.00188 | 0.00251 | 0.00207 | 0.000260 | 0.00505 | -0.00426 |
| | (0.00613) | (0.0108) | (0.00286) | (0.00439) | (0.00528) | (0.00491) | (0.00615) | (0.00881) |
| ad_mexper | 0.000331 | -0.00140** | 0.000441 | 0.000105 | -0.000965 | -0.000796 | -0.000884 | -0.000554 |
| | (0.00129) | (0.000569) | (0.000601) | (0.000560) | (0.000597) | (0.000688) | (0.00107) | (0.00186) |
| ad_mfemale | 0.240*** | 0.130*** | 0.0280 | 0.00235 | -0.00547 | 0.0113 | 0.0193 | 0.0661 |
| | (0.0528) | (0.0431) | (0.0244) | (0.0203) | (0.0229) | (0.0259) | (0.0292) | (0.0552) |
| ad_lemp | 0.0820*** | 0.0810*** | 0.0122 | -0.00901 | -0.00441 | -0.0177*** | -0.0185** | -0.0165 |
| | (0.0218) | (0.0227) | (0.0101) | (0.00658) | (0.00852) | (0.00582) | (0.00929) | (0.0154) |
| Constant | 0.213*** | 0.321*** | 0.467*** | 0.483*** | 0.450*** | 0.492*** | 0.396*** | 1.105*** |
| | (0.0364) | (0.0353) | (0.0214) | (0.0201) | (0.0258) | (0.0201) | (0.0383) | (0.0531) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

44

**Table S6.S: Results for the baseline specification with the geographical distance variable omitted**

| VARIABLES | (1) newprod | (2) invdum | (3) anyrd | (4) it | (5) pcf_tech | (6) suprat | (7) htrain | (8) ftrain |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0135 | -0.203 | -0.301** | 0.520 | -0.247 | -0.0958 | -0.0965 | 0.370 |
| | (0.350) | (0.326) | (0.122) | (0.543) | (0.198) | (0.0877) | (0.263) | (0.342) |
| samesup | -0.0810 | -0.153* | -0.145** | -0.206* | -0.256** | -0.00965 | 0.0552 | -0.0183 |
| | (0.0731) | (0.0784) | (0.0617) | (0.106) | (0.127) | (0.0439) | (0.0839) | (0.0521) |
| samecus | 0.0244 | 0.00572 | 0.130*** | 0.241*** | 0.188* | -0.0420 | 0.0868** | 0.0212 |
| | (0.0224) | (0.0343) | (0.0347) | (0.0601) | (0.101) | (0.0288) | (0.0366) | (0.0709) |
| same_sec | 0.00462 | -0.00131 | -0.0138 | -0.0963*** | -0.0307 | 0.00222 | -0.0344* | -0.00870 |
| | (0.0101) | (0.0134) | (0.0185) | (0.0299) | (0.0311) | (0.00627) | (0.0189) | (0.0159) |
| ad_fmage | 0.000122 | 0.000257 | 0.000346 | -0.00323*** | -0.00104 | -0.000515* | -0.000440 | 0.000881 |
| | (0.000281) | (0.000370) | (0.00101) | (0.00123) | (0.00132) | (0.000303) | (0.000640) | (0.000998) |
| ad_meduc | 0.00582 | 0.0406*** | 0.00240 | 0.00948 | 0.0592** | 0.00516 | -0.00374 | -0.0146*** |
| | (0.00632) | (0.0144) | (0.00895) | (0.0167) | (0.0230) | (0.00339) | (0.00561) | (0.00464) |
| ad_mexper | -2.91e-06 | -0.000304 | -0.000468 | -0.000150 | -0.000218 | 0.000276 | -0.00160*** | 0.000634 |
| | (0.000287) | (0.000266) | (0.00112) | (0.00213) | (0.00234) | (0.000598) | (0.000508) | (0.00108) |
| ad_mfemale | 0.000903 | 0.0358* | 0.106*** | 0.449*** | 0.252*** | 0.0277 | 0.0497 | 0.0849 |
| | (0.00631) | (0.0190) | (0.0394) | (0.0901) | (0.0758) | (0.0176) | (0.0375) | (0.0543) |
| ad_lemp | 0.0231** | 0.0525*** | 0.0404** | 0.169*** | 0.199*** | 0.0179*** | 0.0574*** | 0.0780*** |
| | (0.00914) | (0.0143) | (0.0176) | (0.0424) | (0.0457) | (0.00572) | (0.0170) | (0.0205) |
| Constant | 0.462*** | 0.371*** | 0.281*** | 0.418*** | 0.738*** | 0.304*** | 0.346*** | 0.0941*** |
| | (0.0170) | (0.0292) | (0.0351) | (0.0647) | (0.0620) | (0.0148) | (0.0336) | (0.0316) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S6.S continued**

| VARIABLES | (9) pcf_hk | (10) directimport | (11) sellcredit | (12) subcont | (13) pcf_cont | (14) reput_1 | (15) reput_2 | (16) reput_3 |
|---|---|---|---|---|---|---|---|---|
| supbuy | -0.182 | -0.448** | -0.464** | 0.0753 | -0.839** | -0.683* | -0.190 | 0.559 |
|  | (0.337) | (0.183) | (0.188) | (0.316) | (0.400) | (0.367) | (0.612) | (0.515) |
| samesup | 0.0918 | -0.169** | -0.0125 | 0.0743 | 0.00438 | -0.134 | -0.0645 | -0.0357 |
|  | (0.145) | (0.0784) | (0.0790) | (0.0807) | (0.138) | (0.165) | (0.162) | (0.145) |
| samecus | 0.177 | -0.0501 | -0.0126 | -0.0268 | -0.0431 | 0.0617 | 0.0362 | -0.104 |
|  | (0.140) | (0.0434) | (0.0451) | (0.0653) | (0.101) | (0.0559) | (0.0673) | (0.116) |
| same_sec | -0.0646* | -0.0296* | -0.00571 | -0.00577 | -0.0458* | -0.00911 | -0.0215 | -0.00302 |
|  | (0.0374) | (0.0159) | (0.0136) | (0.0133) | (0.0278) | (0.0215) | (0.0283) | (0.0193) |
| ad_fmage | 0.000198 | 0.000121 | -6.38e-05 | -0.000693 | 0.000328 | -0.000868 | 0.000371 | 0.000529 |
|  | (0.00183) | (0.000239) | (0.000587) | (0.000560) | (0.00104) | (0.000735) | (0.00105) | (0.000944) |
| ad_meduc | -0.0173 | 0.0249** | 0.00973 | -0.00224 | 0.0317* | -0.00201 | 0.000648 | 0.00213 |
|  | (0.0127) | (0.0110) | (0.00714) | (0.00506) | (0.0169) | (0.00750) | (0.00736) | (0.00817) |
| ad_mexper | -0.000791 | -5.26e-05 | -0.000161 | -0.000457 | -0.000571 | 0.000634 | 9.60e-05 | -0.00114 |
|  | (0.00186) | (0.000320) | (0.000731) | (0.000637) | (0.00118) | (0.000804) | (0.000920) | (0.000702) |
| ad_mfemale | 0.208* | -0.00264 | -0.0223* | 0.0163 | -0.00738 | 0.0341 | 0.00581 | -0.0101 |
|  | (0.115) | (0.00679) | (0.0131) | (0.0374) | (0.0386) | (0.0335) | (0.0338) | (0.0253) |
| ad_lemp | 0.208*** | 0.0651*** | 0.00411 | -0.00352 | 0.0972*** | 0.0226 | -0.0125 | -0.00422 |
|  | (0.0497) | (0.0143) | (0.00780) | (0.0125) | (0.0262) | (0.0157) | (0.0113) | (0.0114) |
| Constant | 0.715*** | 0.390*** | 0.454*** | 0.189*** | 0.934*** | 0.922*** | 0.956*** | 0.951*** |
|  | (0.0681) | (0.0253) | (0.0235) | (0.0354) | (0.0586) | (0.0351) | (0.0367) | (0.0284) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S6.S continued**

| VARIABLES | (17) reput_4 | (18) reput_5 | (19) pcf_rep | (20) lvademp | (21) dlemp | (22) growth1 | (23) growth3 | (24) pcf_perf |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.289 | 0.381 | 0.320 | 0 | -0.477** | -0.283 | 1.783 | 0 |
|  | (0.610) | (0.633) | (0.789) | (0) | (0.199) | (0.542) | (2.384) | (0) |
| samesup | -0.0961 | -0.0986 | -0.00838 | -1.389*** | -0.219** | -0.723** | -0.506 | -0.431** |
|  | (0.141) | (0.160) | (0.152) | (0.399) | (0.108) | (0.316) | (0.323) | (0.174) |
| samecus | -0.104 | 0.115** | 0.0546 | -0.944 | 0.101 | -0.556*** | 0.356 | 0.00138 |
|  | (0.111) | (0.0481) | (0.0868) | (0.652) | (0.147) | (0.200) | (0.439) | (0.218) |
| same_sec | -0.00138 | 0.0274* | 0.0165 | -0.142 | -0.0572 | -0.0459 | -0.0631 | -0.0760 |
|  | (0.0186) | (0.0164) | (0.0188) | (0.155) | (0.0403) | (0.0665) | (0.133) | (0.0872) |
| ad_fmage | -0.000701 | 0.00153 | -0.00115 | -0.00429 | 0.00112 | 0.00889 | 0.00487 | 0.00611 |
|  | (0.000817) | (0.00157) | (0.000985) | (0.00791) | (0.00218) | (0.00643) | (0.00738) | (0.00457) |
| ad_meduc | -0.00271 | 0.00521 | 0.00401 | 0.0171 | -0.0123 | -0.0552** | -0.0433 | 0.00651 |
|  | (0.00692) | (0.00983) | (0.00894) | (0.0516) | (0.0148) | (0.0231) | (0.0271) | (0.0237) |
| ad_mexper | -0.000789 | -0.00120 | 0.000521 | -0.00784 | 0.000674 | 0.00244 | -0.00454 | -0.00195 |
|  | (0.000943) | (0.00143) | (0.00171) | (0.00579) | (0.00128) | (0.00701) | (0.00586) | (0.00312) |
| ad_mfemale | 0.0176 | 0.0292 | 0.0329 | 0.411 | 0.00397 | -0.133 | 0.0827 | -0.132 |
|  | (0.0385) | (0.0468) | (0.0486) | (0.586) | (0.0592) | (0.132) | (0.278) | (0.0929) |
| ad_lemp | -0.0264*** | -0.0307** | -0.0117 | 0.00968 | 0.0667*** | 0.0957 | 0.107 | 0.0619 |
|  | (0.00871) | (0.0132) | (0.0137) | (0.112) | (0.0258) | (0.0717) | (0.114) | (0.0600) |
| Constant | 0.991*** | 0.875*** | 1.148*** | 3.477*** | 0.644*** | 1.297*** | 1.838*** | 0.924*** |
|  | (0.0237) | (0.0448) | (0.0443) | (0.256) | (0.0655) | (0.225) | (0.261) | (0.163) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

**Table S6.S continued**

| VARIABLES | (25) web | (26) email | (27) reput_D1 | (28) reputD_2 | (29) reputD_3 | (30) reputD_4 | (31) reputD_5 | (32) pcf_repD |
|---|---|---|---|---|---|---|---|---|
| supbuy | 0.0499 | 0.469 | -0.442** | -0.207 | 0.307 | 0.291 | 0.365 | 0.386 |
| | (0.314) | (0.354) | (0.178) | (0.323) | (0.262) | (0.341) | (0.366) | (0.657) |
| samesup | -0.0880 | -0.0882 | -0.0567 | -0.0331 | -0.0404 | -0.0517 | -0.0596 | -0.117 |
| | (0.0614) | (0.0620) | (0.0877) | (0.0810) | (0.0816) | (0.0740) | (0.0815) | (0.139) |
| samecus | 0.140*** | 0.127*** | 0.0385 | 0.00420 | -0.0672 | -0.0862 | 0.0799** | 0.0964 |
| | (0.0377) | (0.0289) | (0.0361) | (0.0453) | (0.0698) | (0.0654) | (0.0382) | (0.100) |
| same_sec | -0.0236 | -0.0634*** | -0.0124 | -0.0153 | 0.00142 | -0.00298 | 0.0197** | 0.0153 |
| | (0.0149) | (0.0193) | (0.0140) | (0.0155) | (0.0118) | (0.0114) | (0.00984) | (0.0231) |
| ad_fmage | -0.00227*** | -0.000573 | -0.000677 | 0.000378 | 0.000438 | -0.000250 | 0.00109 | -0.000480 |
| | (0.000523) | (0.000930) | (0.000557) | (0.000685) | (0.000804) | (0.000627) | (0.00115) | (0.00121) |
| ad_meduc | -0.0103* | 0.0102 | -0.00442 | 0.000750 | 0.00197 | -0.000945 | 0.00408 | -0.00183 |
| | (0.00592) | (0.0108) | (0.00292) | (0.00431) | (0.00559) | (0.00490) | (0.00650) | (0.00938) |
| ad_mexper | 0.000270 | -0.00149** | 0.000405 | 8.14e-05 | -0.000965 | -0.000811 | -0.000898 | -0.000524 |
| | (0.00127) | (0.000584) | (0.000603) | (0.000562) | (0.000597) | (0.000681) | (0.00107) | (0.00188) |
| ad_mfemale | 0.245*** | 0.140*** | 0.0316 | 0.00488 | -0.00525 | 0.0132 | 0.0205 | 0.0620 |
| | (0.0523) | (0.0431) | (0.0245) | (0.0202) | (0.0230) | (0.0257) | (0.0299) | (0.0557) |
| ad_lemp | 0.0827*** | 0.0822*** | 0.0126 | -0.00866 | -0.00437 | -0.0174*** | -0.0184** | -0.0172 |
| | (0.0220) | (0.0230) | (0.0101) | (0.00660) | (0.00849) | (0.00583) | (0.00925) | (0.0155) |
| Constant | 0.175*** | 0.261*** | 0.444*** | 0.467*** | 0.450*** | 0.481*** | 0.387*** | 1.128*** |
| | (0.0331) | (0.0361) | (0.0241) | (0.0224) | (0.0230) | (0.0185) | (0.0337) | (0.0481) |

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1