

Productivity and Export Market Participation: Evidence from Colombia

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We study the relationship between total factor productivity (TFP) and exporting decisions for Colombian manufacturing firms during 2005-2013. We find that productivity increases a firm's probability of being an exporter, and that exporters have higher productivity, with a premium as high as 85 percent. These findings are robust to several TFP measures. Moreover, we find that not all exporters are equal: firms that export continuously, that export a greater number of products, and/or that export to a larger number of destinations tend to be more productive. We do not find, however, any relationship between productivity and the type of destination or exported product. Finally, we find evidence that future exporters have an ex ante productivity advantage, and (weaker) evidence of TFP increasing after a firm becomes an exporter.

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