

Table A1: Comparing the Capital Intensity of Exporters and Non-Exporters (1998-2007)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Panel A: dependent variable $\ln(K1/L1)$										
Exporter Dummy	0.021 [0.000]***	-0.042 [0.000]***	-0.047 [0.000]***	-0.048 [0.000]***	-0.042 [0.000]***	-0.057 [0.000]***	-0.056 [0.000]***	-0.059 [0.000]***	-0.074 [0.000]***	-0.078 [0.000]***
N	133650	142024	140724	151889	163595	178623	253576	248873	276090	310593
Panel B: dependent variable $\ln(K2/L1)$										
Exporter Dummy	0.088 [0.000]***	0.012 [0.033]**	-0.009 [0.072]*	-0.013 [0.000]***	-0.034 [0.000]***	-0.061 [0.000]***	-0.036 [0.000]***	-0.042 [0.000]***	-0.019 [0.000]***	-0.012 [0.000]***
N	133454	140650	138198	151211	162803	177934	252554	247843	275312	302131
Panel C: dependent variable $\ln(K1/L2)$										
Exporter Dummy	-0.031 [0.031]**	-0.097 [0.000]***	-0.089 [0.000]***	-0.127 [0.000]***	-0.148 [0.000]***	-0.153 [0.000]***	-0.141 [0.000]***	-0.168 [0.000]***	-0.177 [0.000]***	-0.172 [0.000]***
N	133640	142024	140724	151881	163595	178621	253574	248870	276080	310593

Notes: This table reports dummy variable regression results for each year in our sample. All regressions include four-digit (480) industry, ownership and province fixed effects. In Panel A, real capital stock (K1) is measured using the method specified in Brandt et al. (2011), while labor (L1) is the firm's total employment. In Panel B, capital stock (K2) is the net value of fixed assets reported deflated by the industry-specific capital-good deflator, while labor is the firm's total employment. In Panel C, capital stock is measured using the method specified in Brandt et al. (2011), while L2 is the firm's total wage bill. *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively. Numbers reported in brackets are p-values corrected for industry-ownership clustering.

Table A2. The Decision to Start Exporting

Dependent variable: New-exporter indicator

Probit estimation	Domestic firms	Foreign firms
ln TFP	0.113 [0.000]***	0.002 [0.314]
Wage per worker	0.030 [0.000]***	0.008 [0.298]
Capital/labor	-0.038 [0.000]***	-0.031 [0.000]***
Age	-0.059 [0.000]***	-0.119 [0.000]***
Sales	0.113 [0.000]***	0.101 [0.001]***
Industry FE	Yes	Yes
Provincial FE	Yes	Yes
Year FE	Yes	Yes
Pseudo R-squared	0.1032	0.0987
Observations	1,216,415	150,328

Notes: The dependent variable is a dummy variable indicating the year when a firm starts to export. *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively. All regressions include a full set of industry, province, and year dummies. P-values are in brackets, are based on Huber-White heteroskedasticity-consistent standard error, and are corrected for industry-province clustering.

Table A3: Propensity Score Matching Results of Capital Intensity $\ln(K1/L1)$ (1999-2007)

1999	2000	2001	2002	2003	2004	2005	2006	2007
Panel A: DID Matching								
-0.086	-0.054	-0.051	-0.017	-0.055	-0.077	-0.051	-0.061	-0.071
[0.053]*	[0.048]**	[0.024]**	[0.152]	[0.020]**	[0.024]**	[0.031]**	[0.009]***	[0.005]***
Panel B: Local Linear Regression Matching								
-0.062	-0.051	-0.029	-0.028	-0.093	-0.065	-0.046	-0.032	-0.018
[0.021]**	[0.030]**	[0.034]**	[0.066]*	[0.014]**	[0.031]**	[0.035]***	[0.009]***	[0.087]*
Panel C: Nearest Neighbor Matching								
-0.085	-0.054	-0.057	-0.024	-0.074	-0.064	-0.070	-0.052	-0.069
[0.016]**	[0.040]**	[0.029]**	[0.046]**	[0.045]**	[0.011]**	[0.027]**	[0.012]**	[0.082]*

Notes: This table examines the impact of exporting on capital intensity by year, using three different propensity score matching methods to compare exporters' ex-post capital intensity with that of non-exporters. P-values, based on bootstrapped standard errors are reported in brackets. *, **, and *** indicate significance at the 10%, 5%, and 1% levels, respectively.

Table A4: Distribution Differences of Capital Intensity $\ln(K1/L1)$: Kolmogorov-Smirnov Stochastic Dominance Test

	Pooled	1999	2000	2001	2002	2003	2004	2005	2006	2007
Panel A: Domestic Firms										
K-S Test Statistic	-0.442	-0.426	-0.582	-0.33	-0.509	-0.501	-0.495	-0.503	-0.521	-0.374
P-Value	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***
Panel B: Foreign Firms										
K-S Test Statistic	-0.383	-0.313	-0.419	-0.291	-0.326	-0.476	-0.496	-0.404	-0.443	-0.457
P-Value	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***	[0.000]***

Notes: This table reports Kolmogorov-Smirnov two-sample one-sided test statistic and its p-value. The null hypothesis is that the distributions of new exporters and non-exporters are identical. *** indicate significance at the 1% levels. (see Gibbons and Chakraborti, 2003, p.244).

Table A5: Information about merging the industrial firm survey (NBS) data with customs Data

	Num. of Exporters in Customs Data	Num. of Exporters in NBS Data	Num. of Matched Firms	Share of Matched Firms in Total Export Value Reported by Customs
2000	62,771	36,888	19,733	0.37
2001	68,072	40,128	22,904	0.39
2002	78,612	45,004	25,994	0.41
2003	95,629	50,594	29,789	0.42
2004	120,589	76,593	46,010	0.49
2005	144,030	74,388	48,552	0.47
2006	171,205	78,206	52,324	0.45

Notes: Firms from the two date sets are merged by firm names. The first column lists the number of exporters reported in the customs data set; the second column lists the number of exporters reported in the industrial survey data set conducted by China's National Bureau of Statistics (NBS). The numbers are consistently larger in the second column because the customs data set covers the universe of exporters, including trading companies. While the NBS data set includes the above-scale firms that have over 5 million RMB sales revenue in the sample year. The third column reports the number of merged firms. The last column reports the share exports attributable to the matched firms.

Table A6: An example of HS-6 products within an industry

64 FOOTWEAR, GAITERS, & THE LIKE

640110	Waterproof footwear incorporating a protective metal toe-cap...
640191	Waterproof footwear covering the knee...
640192	Waterproof footwear covering the ankle but not the knee
640199	Waterproof footwear (not covering the ankle)
640212	Ski-boots & cross-country ski footwear of rubber or plastics
640219	Sport footwear, nes, of rubber or plastics
640220	Footwear with thongs plugged into soles, of rubber or plastics
640230	Footwear, with metal toe-cap, of rubber or plastics
640291	Footwear, nes, covering the ankle of rubber or plastics
640299	Footwear, nes, not covering the ankle, of rubber or plastics
640312	Ski-boots, etc, with rubber/plastics/leather.. soles, leather uppers
640319	Sports footwear, with rubber/plastics/leather..soles, leather uppers
640320	Sandles, with leather soles & straps (over instep, around big toe)
640330	Footwear with a wood base, no inner soles or caps, leather uppers
640340	Footwear, with a metal toe-cap, leather uppers
640351	Footwear with leather soles & uppers, covering the ankle
640359	Footwear with leather soles & uppers, not covering the ankle
640391	Footwear with rubber... soles & leather uppers, covering the ankle
640399	Footwear with rubber... soles, leather uppers, not covering the ankle
640411	Sports footwear,with rubber or plastic soles & textile uppers
640419	Other footwear,with rubber or plastic soles & textile uppers
640420	Footwear with leather or composition leather soles & textile uppers
640510	Footwear, nes, with leather or composition leather uppers
640520	Footwear, nes, with textile uppers
640590	Footwear, nes
640610	Uppers & parts thereof (excl. stiffeners)
640620	Outer soles & heels of rubber or plastics
640691	Wooden parts of footwear (excl. uppers, outer soles & heels)
640699	Non-wood parts of footwear (excl. uppers, outer soles & heels)
