

Firm Level Productivity Heterogeneity and Export Behavior: Evidence from UK

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Abstract : The aim of this study is to examine the link between firm level productivity heterogeneity and firm's decision to export. Thus, we test the self selection hypothesis which suggests only more productive firms self select themselves to export markets. We analyze UK manufacturing sector by using firm-level data for the period 2003-2011. Although our preliminary results suggest that exporters outperform non-exporters when we pool all manufacturing industries, when we examine each industry individually, we find that self-selection hypothesis does not hold for each industries.

Keywords : total factor productivity, firm heterogeneity, international trade, decision to export

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