



Productivity and Export Market Participation: Evidence from Colombia

Working Paper No. 876 Keep in mind

The series Working Papers on Economics is published by the Office for Economic Studies at the *Banco de la República* (Central Bank of *Colombia*). It contributes to the dissemination and promotion of the work by researchers from the institution. This series is indexed at Research Papers in Economics (RePEc).

On multiple occasions, these works have been the result of collaborative work with individuals from other national or international institutions. The works published are provisional, and their authors are fully responsible for the opinions expressed in them, as well as for possible mistakes. The opinions expressed herein are those of the authors and do not necessarily reflect the views of Banco de la República or its Board of Directors.

AUTHOR OR EDITOR Camila Casas Federico J. Díez Alejandra González AUTHORS AND/OR EDITORS Casas-Lozano, María Camila Federico J. Díez

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.

The opinions expressed here do not necessarily correspond neither to the Banco de la República nor its Board of Directors.

Update 12:18 p.m., 27/04/2015