Abstract:

Based on the recent trade models of the Heterogeneous Firms Trade (HFT) model and the Quality Heterogeneous Firms Trade (QHFT) model, we classify export goods (at the HS 6-digit level of disaggregation) by quality and price competition. We find a high proportions of quality-competition goods for the major EU countries and lower proportions for Canada, Australia and China. However, the overlap of these quality-competition goods is not large, which suggests that characteristics of export goods are substantially different across countries at the same HS 6-digit code.