

Do All Exporters Benefit from Export Boom? – Evidence from Japan

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Abstract

We use a large dataset of Japanese manufacturing firms to investigate the effect of the late export boom to the productivity growth and various productivity enhancing investments by exporting firms. We find that only large exporters had enjoyed higher productivity growth over non-exporters while it was not the case for the small exporters which constitute a large mass of Japanese exporters. We also find striking evidence that only the exporters serving worldwide actually enjoyed significant advantage in productivity growth. On the other hand, both large and small exporters engaged in more intensive innovation activities and capital investments as well as faster skill up-grade during this period. Therefore, although the late export boom did not reward all exporters in an even way, it did encourage wide range of exporter investments that should enhance their productivity. We thus provide a case where exporters grow substantially faster than non-exporters even long after their entry, offering additional explanation on formation of the universally observed exporters' premium on productivity level.