

Exporter Dynamics and Information Spillovers through the Main Bank

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Abstract

This paper studies how the decision of firms to start exporting is affected by the availability of information on export markets. Unlike the extant studies which focus on the information sharing among firms, we are interested in the information provided by lender banks. A unique dataset containing both the firms' export dynamics and their lender banks' characteristics such as loan exposure to exporting firms allows us to study whether banks work as a conduit of information on export markets. We find that firms' decision to start exporting (extensive margin) is affected by the degree of lender banks' loan provision to the client firms already exporting to a destination region. We also confirm that such a mechanism is silent for the determination of export volume (intensive margin). These results imply the importance of considering multiple sources of information for potential exporter firms.

Key words: Export Decision; Lender Bank; Information Spillover; General and Specific Information.

JEL Classification: F10, F14, G21, L25

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