

Occasional and perennial exporters

Blum, B. S., Claro, S., & Horstmann, I. J. (2013). Occasional and perennial exporters. *Journal of International Economics*, 90(1), 65-74. Accessed 11 Feb 2021.

Abstract

We document several new features of firms' export entry and exit behaviors: i) one-third of exporting firms enter into and exit from exporting multiple times; ii) most continuing exporters enter and exit specific export destinations multiple times; iii) firms re-entering exporting often sell the same product(s) to the same importer(s). We provide a model in which this behavior is an optimal response for firms facing increasing costs and stochastic demand. The model has a number of predictions that do not come out of models of trade in which firms have constant marginal cost. Our data strongly support these predictions..

Keywords

Export decision, Capacity constraints, Specific factor firm-level trade model.