A discussion of "Export Survival and Foreign Financing" By Martín Tobal, Laura D'Amato and Máximo Sangiácomo

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25 May 2019

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- Asking an original question: Does financing affect export survival? why is this relevant?
- The identification challenge:
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- Getting a (potentially) useful result: “foreign financing exerts a positive causal effect on export survival”

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- **About the interest rate as instrument** This could be problematic if the country source is the same as the export destination. As the interest rate might reflect market conditions (demand, exchange rates) that are correlated with export survival
- Given the choice between domestic and foreign financing, would not make sense to use the interest rate relative to the one of Argentina?

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- How to distinguish between variable and fixed costs? A hint: fixed costs do not affect the intensive margin

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- This paper can explore this distinction between new entrants and re-entrants to investigate the effect of experience on the financing choice and provide a mechanism to explain why experienced firms exhibit higher rates of survival

Further Directions

- Why should anyone care about this result?
- What are the policy implications?

Summing-up

- Great data, great question, promising results
- On track to a great paper

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- A large fraction of export incursions fail (e.g. Eaton et al 2008, Albornoz, Calvo, Corcos, Ornelas, 2012)
- What makes incursions in export markets survive?
  - This paper studies the role of foreign financing

return?