

## **Report on “Firms’ export decisions: selection versus trial-and-error”**

**December 02, 2019**

The paper of Movahedi et al. is a very interesting study. It studies new dimensions of the firms' decision to export. More precisely, the paper allows to review the role of productivity in the firms' decision to export. In addition, the authors aim to considering other elements most likely to play on the firms' export decision: the willingness of the firm manager to export and the confidence of the firm in the success of the export project.

I suggest a **major revision** of the paper before it is published. My comments are as follows:

### **1. Strength**

- The paper is well presented.
- The paper contributes to the literature on firms' export decisions and performances. It also finds new results that contradict some implications of well-known models in the literature, so the paper is engaging.
- The model is simple but it can be seen as a basis for more developed future research.

### **2. Weakness**

- First and importantly, the authors should check carefully the correctness of their language. I am not a native English speaker but it seems to me that the paper is not proofread properly. In addition, some turns of phrase the authors use need to be replaced.
- The authors should be more rigorous in the presentation of the models related to their study (e.g., Melitz, 2003).
- The paper should not be published without a more discussion of the significance of the results the authors obtain regarding the literature.
- The authors assume that firms prefer the self-financing to invest in their export projects. This assumption should be discussed more in the new version of the paper.
- The same remark is true for the assumption that  $\rho$  depends on the level of information that firm has on export projects.

- Page 9: The authors mentioned that “In these conditions, the monotonous relationship between productivity and export profitability is no longer valid (Figure 3)”. It is not so obvious and this paragraph should be rewritten in order to convince the reader.

### 3. Typos

- Page 2, line -12: ...in better integrating **the** two observations...
- Page 3, line +9: ...25% of exporters are the new exporters often...
- Page 5, line +9: is evaluated by assuming than **that**
- Title Figure 1: feasibility cast **cost**
- References: In subsequent citations, only use the first author's last name followed by "et al." when more than two authors are considered.
- Footnote callouts should appear after terminal punctuation.