

Title: Export activity, innovation and institutions in Southern European nascent entrepreneurship

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This is an interesting paper referring to individual level as well as country-level determinants of export propensity as well as export intensity of newly founded firms in Southern Europe (Greece, Italy, Portugal, Spain for the period 2003-2010). The data used for the construction of both categories of variables (individual and country-level variables) come from GEM. Given the importance of new firms with respect to the diffusion of new technologies, this paper contributes to the understanding of the factors that are crucial for new firms to be export-oriented right from the beginning of their existence. The existence of product and process innovations seems to be particularly relevant for 'extroverted' behaviour. The contribution of newly founded firms is especially relevant for the Southern European countries that have been particularly (economically) vulnerable during the crisis period 2009-2015. The results also reveal structural weaknesses particularly with respect to education system of these countries.

Some remarks:

It would be useful to add separate estimations for the countries, for which a sufficient number of firms is available, I suppose this is possible at least for Spain and Italy. A table with the number of observations and the number of firms for each country would also be useful for the reader of the paper.

Selection model (second paragraph of p. 8 and footnote 5): Please present in more detail the rationale for the selection model and the respective estimation procedure (STATA?).

Correlation matrix in Table A.3: It is not clear to me why the values of the correlation coefficients are so large. Usually, perfect correlation is equal 1, all other values smaller than 1. Please clarify.

All in all, this is an interesting, well-written and well-structured paper that can be published in *Economics*.