

General comment

It is an interesting empirical paper. The novelty of the paper is to investigate how global sourcing affect the export surviving probabilities. The paper emphasize the different between high- or low-wage sourcing countries. Concludes that global sourcing increase the probability of survival on export markets only for small and medium companies when they source from high wage countries. The paper use the entire Danish firm census of manufacturing firms with at least 1 employee for the 1995-2006 period; it seems that the total number of companies analyzed is about 4.000. It is an interesting paper with novel results that need to be checked in additional dimensions.

Dimensions to improve **estimations**. I will try to provide some insights about these dimensions:

- The predicted probability (equation 8, table 4) should include size as an explanatory variable. Firm size (total employment) is a characteristic that may affect the probability to engage in global sourcing. This is independent of the introduction of labor productivity (value added per employee). Moreover, TFP seems to be the proper variable (note 10, comments that results do not significantly change)
- The document says (pag. 18) that “The instruments for the two global sourcing dummies are the predicted values” the estimations of this two different predicted probabilities (sourcing from high and low wage countries) should be incorporated in table (4). This would provide information about the explanatory capacity of the models that finally are used as IVs.
- The document focus on the interaction between size and global sourcing. A complementary estimation mode, more parameter efficient than estimating columns (5), (6) and (7) in table (5), would be to include 8 different variables in the same way as it is done in columns (1) (2) /(3) and (4). More specifically this variables are: small firms sourcing form low wage, small firms sourcing form high wage, medium firms no sourcing, medium firms sourcing form low wage, medium firms sourcing form high wage, large firms no sourcing, large firms sourcing form low wage, large firms sourcing form high wage. Control group: small firms no sourcing. The control group could be also firms no sourcing (with the corresponding changes in the other variables, in this case we only estimate 2 additional parameters to column 4 table 5).
- Author has information on the destiny. As the analysis consider origin of sourcing it would be also interesting include destiny of exports (for instance: number of destinies, high wage destiny ...)
- It would be interesting check the robustness using different sourcing variable definitions (presently 50% of sourcing). For instance, one possibility would be: only source from low wage, only high wage countries, source from both.

Additional comment

- From my perspective, section 2 is more a literature review than a theoretical framework. The first two pages try to develop a model that fall short for the purpose of the document and do not contribute to the paper. The following pages of the section discusses some strand of the literature. I specifically miss references to information spillovers literature; Fernandez and Tang and de Lucio et al. (2020) also related with the mentioned document of Stirbat et al. (2015).

Minor comments

- I consider that the industry control: Other firms ceasing export deserve a comment in the text.
- Not for this paper. In relation to the intensive extensive margin literature I suggest the possibility of analyzing not only survival but increase or decrease export destinies or export value

Typos:

- Should be Diaz-Mora instead Dias-Mora (5 times across the document)
- “Sourcing” instead “Sorucing” (sic), in pages: 10, 11 (2 times),13,14, 17 (3 times) and pag 18 (two times)
- Pag 11. “with similar characteristics X such as productivity, size etc” Why it is necessary the “X” in this sentence?

References:

De Lucio, J., Mínguez R., Minondo A. & Requena F. (2019) New exporters benefit more from information spillovers, *Applied Economics Letters*.

Fernandes, A. P., and H. Tang. 2014. “Learning to Export from Neighbors.” *Journal of International Economics* 94 (1): 67–84.

Stirbat, L., Record, R., and Nghardsaysone, K., (2015), “The experience of survival: Determinants of export survival in Lao PDR”. *World Development*, 76(December): 82–94.