

Reassessing the Link Between Firm Size and Exports

This paper applies panel OLS regressions with fixed effects as well as quantile regressions to assess the extent to which propensity to export depends on the size of firms, using an unbalanced panel of Spanish firms. Quantile regressions allow the author to analyze how this relationship is affected by the intensity of export propensity. The results indicate that export propensity depends positively on firm size, and that increasing levels of export propensity make the implied elasticity to decrease. Interesting policy implications are derived from these results.

The paper is well structured and applies econometric techniques commonly used in this strand of literature. My comments hinge upon three subjects.

1. I would suggest additional explanations of the empirical results.
 - a) According to Table A1, export intensity has increased throughout the period of financial crisis (from 2008 to 2010), which implies a decreasing impact on the elasticity of export propensity with respect to firm size (Table 4) over those years. So, are those results compatible with the export paradox of the Spanish economy; i.e. with the fact that the Spanish export share has remained constant despite the economic crisis?
 - b) The author should explain the meaning of firm heterogeneity, and why this heterogeneity is linked to different export propensities (quantiles) and not to other economic features of firms.
 - c) In order to justify the results obtained with the quantile regression model, the author estimates the elasticity of value of exports with respect to the firm size instead of providing empirical evidence of transaction costs in the line of Verwaal and Donkers (2002). The reason argued by the author (the lack of appropriate data) is convincing but he should explain why those estimates are not only a test of robustness, but above all a support or explanation of the main empirical results provided in Table 4 and Figures 1 and 2.
2. Econometric estimates: the author should verify whether the empirical results are not affected by an endogeneity problem; that is, by the fact that the size of firms may be influenced by their desire or propensity to selling their products abroad.
3. The drafting of the work must be reviewed. There are several errata or writing mistakes. Examples:

Page 5, 2d paragraph: the author writes "It should be mentioned that this increase...." not having stated or explained before that this increase took place.

Page 9: explain the meaning of $S_{p,j}$

Page 12: replace “explicative variable “ by “explanatory variable”.

Finally, in my opinion, the title of the paper should include “in the Spanish Economy”