

Online Appendix of “The Mutable Geography of Firms’ International
Trade: Evidence and Macroeconomic Implications”:
Summary of China Results

Lu Han
University of Cambridge
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1 Estimation results based on firm-product level trade patterns. The estimation sample is constructed based on destinations with non-missing exchange rate and CPI series.

1.1 Key Statistics

Table 1: All Sectors - All Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	2.79	1.00	1.00	1.00	3.00	21.00	6,042,767
Number of Market Changes/ Number of Markets	0.95	0.67	0.00	0.00	1.50	5.00	3,662,453
Market Changes/ Markets (trade weighted)	14155.75	3.27	0.00	0.00	31.19	31232.96	3,658,615
Market Drop/ Market Changes	0.47	0.50	0.00	0.20	0.67	1.00	2,469,771
Market Drop/ Market Changes (trade weighted)	0.46	0.41	0.00	0.03	0.91	1.00	2,469,771
Firm Level Switching Rate	0.26	0.26	0.00	0.04	0.43	0.69	6,042,767

Table 2: All Sectors - Large Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.67	2.00	1.00	1.00	5.00	31.00	1,795,746
Number of Market Changes/ Number of Markets	0.84	0.64	0.00	0.00	1.00	5.00	1,319,763
Market Changes/ Markets (trade weighted)	22119.43	2.21	0.00	0.00	18.13	32511.96	1,319,403
Market Drop/ Market Changes	0.45	0.50	0.00	0.13	0.70	1.00	974,393
Market Drop/ Market Changes (trade weighted)	0.44	0.35	0.00	0.01	0.90	1.00	974,393
Firm Level Switching Rate	0.33	0.33	0.00	0.04	0.54	0.83	1,795,746

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 8-digit HS level across all years (2000-2006).

Table 3: All Sectors - All Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.69	2.00	1.00	1.00	5.00	35.00	1,927,605
Number of Market Changes/ Number of Markets	0.90	0.67	0.00	0.00	1.00	6.00	1,249,621
Market Changes/ Markets (trade weighted)	16517.05	1.85	0.00	0.00	13.97	8228.56	1,248,671
Market Drop/ Market Changes	0.45	0.50	0.00	0.14	0.69	1.00	905,291
Market Drop/ Market Changes (trade weighted)	0.44	0.37	0.00	0.02	0.89	1.00	905,290
Firm Level Switching Rate	0.29	0.25	0.00	0.00	0.50	0.86	1,927,605

Table 4: All Sectors - Large Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	10.53	6.00	1.00	2.00	15.00	53.00	349,339
Number of Market Changes/ Number of Markets	0.75	0.57	0.00	0.33	0.86	5.00	278,164
Market Changes/ Markets (trade weighted)	64586.05	1.11	0.00	0.12	5.58	2215.21	278,126
Market Drop/ Market Changes	0.43	0.42	0.00	0.17	0.67	1.00	236,757
Market Drop/ Market Changes (trade weighted)	0.42	0.33	0.00	0.03	0.80	1.00	236,756
Firm Level Switching Rate	0.47	0.50	0.00	0.17	0.75	0.86	349,339

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 2-digit HS level across all years (2000-2006).

1.1.1 By Product and Firm Types

(a) 8-digit Results

Table 5: By Firm Types
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	2.79	2.00	1.00	1.00	3.00	20.00	1,622,564
Number of Market Changes/ Number of Markets	1.04	0.75	0.00	0.00	1.50	5.50	794,632
Market Changes/ Markets (trade weighted)	2873.68	4.10	0.00	0.00	28.02	15866.93	794,158
Market Drop/ Market Changes	0.44	0.50	0.00	0.20	0.67	1.00	547,947
Market Drop/ Market Changes (trade weighted)	0.44	0.36	0.00	0.02	0.85	1.00	547,947
Firm Level Switching Rate	0.22	0.21	0.00	0.00	0.40	0.67	1,622,564
Foreign Invested Enterprises							
Number of Destination Markets	2.85	1.00	1.00	1.00	3.00	23.00	1,382,306
Number of Market Changes/ Number of Markets	0.62	0.33	0.00	0.00	1.00	4.00	911,985
Market Changes/ Markets (trade weighted)	14035.16	0.18	0.00	0.00	12.79	18396.68	910,149
Market Drop/ Market Changes	0.45	0.50	0.00	0.00	0.70	1.00	498,364
Market Drop/ Market Changes (trade weighted)	0.44	0.33	0.00	0.00	0.94	1.00	498,364
Firm Level Switching Rate	0.19	0.12	0.00	0.00	0.33	0.75	1,382,306
State-owned Enterprises							
Number of Destination Markets	2.72	1.00	1.00	1.00	3.00	20.00	2,625,871
Number of Market Changes/ Number of Markets	1.08	0.88	0.00	0.00	2.00	5.00	1,704,066
Market Changes/ Markets (trade weighted)	20914.17	5.98	0.00	0.00	43.67	51606.75	1,702,691
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.67	1.00	1,241,261
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.05	0.92	1.00	1,241,261
Firm Level Switching Rate	0.31	0.33	0.00	0.18	0.46	0.68	2,625,871

Table 6: By the Form of Commerce
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	2.72	1.00	1.00	1.00	3.00	20.00	5,036,078
Number of Market Changes/ Number of Markets	1.03	0.79	0.00	0.00	1.50	5.00	2,988,328
Market Changes/ Markets (trade weighted)	6121.50	4.84	0.00	0.00	36.84	31288.22	2,985,520
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,106,230
Market Drop/ Market Changes (trade weighted)	0.47	0.42	0.00	0.04	0.90	1.00	2,106,230
Firm Level Switching Rate	0.27	0.29	0.00	0.08	0.43	0.69	5,036,078
Mixture							
Number of Destination Markets	3.08	1.00	1.00	1.00	3.00	27.00	192,421
Number of Market Changes/ Number of Markets	0.44	0.00	0.00	0.00	0.67	3.00	144,552
Market Changes/ Markets (trade weighted)	2912.71	0.00	0.00	0.00	3.43	923.61	144,520
Market Drop/ Market Changes	0.48	0.50	0.00	0.00	1.00	1.00	68,343
Market Drop/ Market Changes (trade weighted)	0.45	0.32	0.00	0.00	1.00	1.00	68,343
Firm Level Switching Rate	0.17	0.09	0.00	0.00	0.29	0.71	192,421
Processing Trade							
Number of Destination Markets	3.17	1.00	1.00	1.00	3.00	27.00	814,268
Number of Market Changes/ Number of Markets	0.65	0.40	0.00	0.00	1.00	4.00	529,573
Market Changes/ Markets (trade weighted)	62609.18	0.22	0.00	0.00	12.10	50158.58	528,575
Market Drop/ Market Changes	0.46	0.50	0.00	0.00	0.75	1.00	295,198
Market Drop/ Market Changes (trade weighted)	0.45	0.37	0.00	0.00	0.94	1.00	295,198
Firm Level Switching Rate	0.20	0.15	0.00	0.00	0.37	0.71	814,268

Table 7: By Rauch Classification
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Differentiated Products							
Number of Destination Markets	2.84	1.00	1.00	1.00	3.00	21.00	4,578,836
Number of Market Changes/ Number of Markets	0.98	0.71	0.00	0.00	1.50	5.00	2,777,847
Market Changes/ Markets (trade weighted)	16554.49	3.98	0.00	0.00	35.08	42368.91	2,775,234
Market Drop/ Market Changes	0.47	0.50	0.00	0.22	0.67	1.00	1,906,267
Market Drop/ Market Changes (trade weighted)	0.46	0.41	0.00	0.03	0.90	1.00	1,906,267
Firm Level Switching Rate	0.27	0.27	0.00	0.05	0.43	0.69	4,578,836
Organized Exchange							
Number of Destination Markets	2.19	1.00	1.00	1.00	2.00	14.00	62,597
Number of Market Changes/ Number of Markets	0.66	0.40	0.00	0.00	1.00	4.00	39,995
Market Changes/ Markets (trade weighted)	550.80	0.19	0.00	0.00	5.92	2134.11	39,986
Market Drop/ Market Changes	0.49	0.50	0.00	0.00	0.83	1.00	21,781
Market Drop/ Market Changes (trade weighted)	0.49	0.48	0.00	0.00	0.99	1.00	21,781
Firm Level Switching Rate	0.18	0.13	0.00	0.00	0.33	0.69	62,597
Reference Priced							
Number of Destination Markets	2.35	1.00	1.00	1.00	2.00	16.00	563,077
Number of Market Changes/ Number of Markets	0.79	0.50	0.00	0.00	1.14	4.00	351,034
Market Changes/ Markets (trade weighted)	1736.42	1.01	0.00	0.00	20.09	8950.24	350,473
Market Drop/ Market Changes	0.47	0.50	0.00	0.17	0.67	1.00	213,002
Market Drop/ Market Changes (trade weighted)	0.47	0.42	0.00	0.01	0.95	1.00	213,002
Firm Level Switching Rate	0.23	0.22	0.00	0.00	0.37	0.67	563,077

Table 8: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Market	Changes /	Market	Drops /	Firm Level	Obs.
	Markets		Market	Market	Switching	
			Changes	Changes	Rate	
		Trade		Trade		
		Weighted		Weighted		
1-5 Live animals; animal products	0.00	0.00	0.50	0.51	0.06	44,882
6-14 Vegetable products	0.00	0.00	0.50	0.46	0.06	134,952
15 Animal/vegetable fats	0.33	0.40	0.50	0.45	0.00	2,282
16-24 Prepared foodstuffs	0.00	0.00	0.50	0.41	0.03	85,874
25-27 Mineral products	0.25	0.00	0.50	0.45	0.09	32,180
28-38 Products of chemical and allied industries	0.61	3.33	0.50	0.44	0.25	379,742
39-40 Plastics/rubber articles	0.83	5.36	0.50	0.41	0.31	401,840
41-43 Rawhides/leather articles, furs	0.90	4.39	0.50	0.45	0.33	179,972
44-46 Wood and articles of wood	0.59	2.12	0.50	0.44	0.22	126,662
47-49 Pulp of wood/other fibrous cellulosic material	0.80	3.77	0.50	0.38	0.27	154,438
50-63 Textile and textile articles	0.67	3.65	0.50	0.42	0.25	1,620,660
64-67 Footwear, headgear, etc.	0.86	3.94	0.50	0.45	0.33	200,537
68-70 Misc. manufactured articles	0.75	2.21	0.50	0.42	0.27	230,100
71 Precious or semiprec. stones	0.80	4.55	0.50	0.39	0.20	25,929
72-83 Base metals and articles of base metals	0.71	3.96	0.50	0.40	0.29	652,357
84-85 Machinery and mechanical appliances, etc.	0.67	5.17	0.50	0.38	0.28	922,058
86-89 Vehicles, aircraft, etc.	0.73	7.56	0.50	0.37	0.29	118,649
90-92 Optical, photographic, etc.	0.67	2.62	0.50	0.42	0.29	180,550
93 Arms and ammunition	0.93	21.14	0.50	0.45	0.40	697
94-96 Articles of stone, plaster, etc.	0.86	3.40	0.50	0.43	0.33	542,511
97+ Others	0.50	3.91	0.50	0.47	0.00	8,633

(b) 2-digit Results

Table 9: By Firm Types
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	4.40	2.00	1.00	1.00	5.00	31.00	616,842
Number of Market Changes/ Number of Markets	1.03	0.75	0.00	0.00	1.25	7.00	329,500
Market Changes/ Markets (trade weighted)	1968.10	2.81	0.00	0.00	15.76	5852.30	329,407
Market Drop/ Market Changes	0.42	0.40	0.00	0.10	0.67	1.00	243,648
Market Drop/ Market Changes (trade weighted)	0.41	0.29	0.00	0.01	0.81	1.00	243,648
Firm Level Switching Rate	0.26	0.00	0.00	0.00	0.50	0.80	616,842
Foreign Invested Enterprises							
Number of Destination Markets	4.07	2.00	1.00	1.00	4.00	30.00	585,064
Number of Market Changes/ Number of Markets	0.62	0.50	0.00	0.00	0.89	4.00	414,254
Market Changes/ Markets (trade weighted)	11171.02	0.45	0.00	0.00	8.02	8115.40	413,663
Market Drop/ Market Changes	0.44	0.44	0.00	0.00	0.70	1.00	262,161
Market Drop/ Market Changes (trade weighted)	0.42	0.30	0.00	0.00	0.91	1.00	262,161
Firm Level Switching Rate	0.24	0.00	0.00	0.00	0.50	0.86	585,064
State-owned Enterprises							
Number of Destination Markets	5.45	2.00	1.00	1.00	6.00	40.00	600,704
Number of Market Changes/ Number of Markets	1.06	0.75	0.00	0.35	1.33	7.00	426,876
Market Changes/ Markets (trade weighted)	34823.25	3.01	0.00	0.14	18.23	11089.25	426,662
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.75	1.00	338,839
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.06	0.92	1.00	338,838
Firm Level Switching Rate	0.38	0.40	0.00	0.00	0.67	0.86	600,704

Table 10: By the Form of Commerce
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	4.67	2.00	1.00	1.00	5.00	35.00	1,608,364
Number of Market Changes/ Number of Markets	0.97	0.67	0.00	0.00	1.17	6.00	1,021,085
Market Changes/ Markets (trade weighted)	3205.03	2.54	0.00	0.00	16.45	8481.85	1,020,400
Market Drop/ Market Changes	0.45	0.50	0.00	0.17	0.67	1.00	765,439
Market Drop/ Market Changes (trade weighted)	0.45	0.37	0.00	0.02	0.88	1.00	765,438
Firm Level Switching Rate	0.31	0.29	0.00	0.00	0.50	0.86	1,608,364
Mixture							
Number of Destination Markets	4.93	2.00	1.00	1.00	5.00	37.00	62,266
Number of Market Changes/ Number of Markets	0.47	0.33	0.00	0.00	0.67	3.00	48,641
Market Changes/ Markets (trade weighted)	4191.02	0.12	0.00	0.00	2.45	595.37	48,630
Market Drop/ Market Changes	0.45	0.44	0.00	0.00	0.80	1.00	28,873
Market Drop/ Market Changes (trade weighted)	0.43	0.29	0.00	0.00	0.96	1.00	28,873
Firm Level Switching Rate	0.23	0.00	0.00	0.00	0.43	0.86	62,266
Processing Trade							
Number of Destination Markets	4.71	2.00	1.00	1.00	5.00	38.00	256,975
Number of Market Changes/ Number of Markets	0.62	0.43	0.00	0.00	0.83	4.00	179,895
Market Changes/ Markets (trade weighted)	95468.94	0.27	0.00	0.00	5.52	10312.28	179,641
Market Drop/ Market Changes	0.45	0.50	0.00	0.00	0.75	1.00	110,979
Market Drop/ Market Changes (trade weighted)	0.44	0.34	0.00	0.00	0.93	1.00	110,979
Firm Level Switching Rate	0.24	0.00	0.00	0.00	0.50	0.86	256,975

Table 11: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Market	Changes /	Market	Drops /	Firm Level	
	Markets		Market	Market	Switching	Obs.
			Changes	Changes	Rate	
		Trade		Trade		
		Weighted		Weighted		
1-5 Live animals; animal products	0.33	0.17	0.50	0.50	0.00	20,131
6-14 Vegetable products	0.33	0.05	0.50	0.45	0.00	62,732
15 Animal/vegetable fats	0.50	0.98	0.50	0.46	0.00	1,894
16-24 Prepared foodstuffs	0.25	0.03	0.50	0.37	0.00	49,103
25-27 Mineral products	0.45	0.03	0.50	0.44	0.00	19,526
28-38 Products of chemical and allied industries	0.60	2.17	0.50	0.39	0.25	134,969
39-40 Plastics/rubber articles	0.67	2.84	0.50	0.35	0.33	145,996
41-43 Rawhides/leather articles, furs	0.71	2.57	0.50	0.42	0.33	73,631
44-46 Wood and articles of wood	0.63	1.80	0.50	0.40	0.25	59,363
47-49 Pulp of wood/other fibrous cellulosic material	0.75	2.76	0.50	0.34	0.25	71,731
50-63 Textile and textile articles	0.67	2.08	0.50	0.37	0.25	338,780
64-67 Footwear, headgear, etc.	0.78	2.48	0.50	0.43	0.33	93,804
68-70 Misc. manufactured articles	0.71	1.45	0.50	0.38	0.29	104,658
71 Precious or semiprec. stones	0.78	3.39	0.50	0.36	0.17	16,485
72-83 Base metals and articles of base metals	0.67	2.30	0.50	0.34	0.25	234,045
84-85 Machinery and mechanical appliances, etc.	0.57	2.63	0.40	0.28	0.29	216,585
86-89 Vehicles, aircraft, etc.	0.67	4.12	0.43	0.32	0.29	43,982
90-92 Optical, photographic, etc.	0.64	1.80	0.50	0.37	0.33	62,973
93 Arms and ammunition	0.80	13.41	0.50	0.43	0.33	449
94-96 Articles of stone, plaster, etc.	0.71	1.67	0.50	0.40	0.33	172,014
97+ Others	0.50	2.00	0.50	0.46	0.00	4,754

1.2 Regression Results

Table 12: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.09*** (0.00)	0.08*** (0.00)	0.08*** (0.00)
Constant	0.01*** (0.00)		
Observations	2,464,962	1,788,094	2,436,993
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000970	0.209	0.0492
Within R^2		0.00102	0.000782

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 13: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.16*** (0.00)	0.15*** (0.00)	0.15*** (0.00)
Constant	-0.03*** (0.00)		
Observations	904,189	873,994	873,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.00323	0.0761	0.0761
Within R^2		0.00244	0.00244

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 14: Change in the Average Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.74*** (0.00)	-0.52*** (0.00)	-0.64*** (0.00)
Constant	0.36*** (0.00)		
Observations	2,464,963	1,788,094	2,436,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0179	0.234	0.0748
Within R^2		0.0105	0.0127

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 15: Change in the Average Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.76*** (0.01)	-0.57*** (0.01)	-0.57*** (0.01)
Constant	0.40*** (0.00)		
Observations	904,189	873,994	873,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0243	0.120	0.120
Within R^2		0.0125	0.0125

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 16: Change in the Total Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.71*** (0.00)	-2.49*** (0.00)	-2.59*** (0.00)
Constant	1.36*** (0.00)		
Observations	2,464,963	1,788,094	2,436,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.182	0.383	0.232
Within R^2		0.180	0.160

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 17: Change in the Total Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.73*** (0.01)	-2.49*** (0.01)	-2.49*** (0.01)
Constant	1.40*** (0.00)		
Observations	904,189	873,994	873,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.218	0.303	0.303
Within R^2		0.176	0.176

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 18: Drop-Change Ratio to Changes in Relative Market Conditions
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio	(3) DC Ratio
Augmented Bil. Exchange Rates	-0.18*** (0.00)	-0.22*** (0.00)	-0.18*** (0.00)
Augmented Destination CPI	-0.82*** (0.00)	-0.81*** (0.00)	-0.78*** (0.00)
Constant	0.48*** (0.00)		
Observations	2,469,771	1,791,353	2,441,803
Fixed Effects	No	F-P + T	P-T + F
R^2	0.221	0.415	0.296
Within R^2		0.232	0.205

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 19: Drop-Change Ratio to Changes in Relative Market Conditions
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio	(3) DC Ratio
Augmented Bil. Exchange Rates	-0.14*** (0.00)	-0.14*** (0.00)	-0.14*** (0.00)
Augmented Destination CPI	-0.64*** (0.00)	-0.59*** (0.00)	-0.59*** (0.00)
Constant	0.47*** (0.00)		
Observations	905,291	875,096	875,096
Fixed Effects	No	F-P + T	P-T + F
R^2	0.238	0.353	0.353
Within R^2		0.211	0.211

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 20: Change in Mean Distance to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance	(3) Mean Distance
Market Drop/ Market Changes	-0.17*** (0.00)	-0.16*** (0.00)	-0.16*** (0.00)
Constant	0.10*** (0.00)		
Observations	2,469,771	1,791,353	2,441,803
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0124	0.196	0.0831
Within R^2		0.0138	0.0107

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 21: Change in Mean Distance to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance	(3) Mean Distance
Market Drop/ Market Changes	-0.18*** (0.00)	-0.13*** (0.00)	-0.13*** (0.00)
Constant	0.11*** (0.00)		
Observations	905,291	875,096	875,096
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0148	0.111	0.111
Within R^2		0.00729	0.00729

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 22: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) UVCN	(2) UVCN	(3) UVCN
Market Drop/ Market Changes	0.01*** (0.00)	0.01*** (0.00)	0.01*** (0.00)
Constant	0.02*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	3.14e-05	0.286	0.0673
Within R^2		3.45e-05	2.00e-05

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 23: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) UVCN	(2) UVCN	(3) UVCN
Market Drop/ Market Changes	0.04*** (0.00)	0.03*** (0.00)	0.03*** (0.00)
Constant	0.01*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000331	0.0927	0.0927
Within R^2		0.000168	0.000168

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 24: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.80*** (0.00)	-0.65*** (0.00)	-0.67*** (0.00)
Constant	0.42*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0402	0.322	0.123
Within R^2		0.0283	0.0266

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 25: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.95*** (0.00)	-0.73*** (0.01)	-0.73*** (0.01)
Constant	0.52*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0544	0.172	0.172
Within R^2		0.0306	0.0306

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 26: Change in Unit Value of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.06*** (0.00)	0.06*** (0.00)	0.06*** (0.00)
Unit Value of Continuing Markets	0.71*** (0.00)	0.73*** (0.00)	0.70*** (0.00)
Constant	-0.02*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	0.493	0.626	0.517
Within R^2		0.499	0.482

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 27: Change in Unit Value of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.11*** (0.00)	0.11*** (0.00)	0.11*** (0.00)
Unit Value of Continuing Markets	0.69*** (0.00)	0.68*** (0.00)	0.68*** (0.00)
Constant	-0.03*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.476	0.512	0.512
Within R^2		0.463	0.463

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 28: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.00* (0.00)	0.18*** (0.00)	0.01*** (0.00)
Mean Quantity of Continuing Markets	0.70*** (0.00)	0.71*** (0.00)	0.69*** (0.00)
Constant	-0.01*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	0.583	0.701	0.609
Within R^2		0.581	0.568

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 29: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.06*** (0.00)	0.10*** (0.00)	0.10*** (0.00)
Mean Quantity of Continuing Markets	0.72*** (0.00)	0.70*** (0.00)	0.70*** (0.00)
Constant	-0.03*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.559	0.597	0.597
Within R^2		0.533	0.533

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

2 This sample aggregates product level trade transactions and study how export market switching at the firm level. For each time period, the trade pattern is calculated for each firm across all products it exports. The estimation sample is constructed based on destinations with non-missing exchange rate and CPI series.

2.1 Key Statistics

Table 30: All Sectors - All Firms
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Number of Destination Markets	7.67	3.00	1.00	1.00	9.00	55.00	627,433
Number of Market Changes/ Number of Markets	0.81	0.57	0.00	0.25	1.00	5.00	438,672
Market Changes/ Markets (trade weighted)	20145.45	1.40	0.00	0.05	9.93	11083.87	438,672
Market Drop/ Market Changes	0.43	0.40	0.00	0.10	0.67	1.00	345,879
Market Drop/ Market Changes (trade weighted)	0.41	0.29	0.00	0.01	0.83	1.00	345,879
Firm Level Switching Rate	0.35	0.33	0.00	0.00	0.67	0.86	627,433

Table 31: All Sectors - Large Firms
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Number of Destination Markets	15.50	10.00	1.00	3.00	22.00	77.00	155,335
Number of Market Changes/ Number of Markets	0.69	0.50	0.00	0.33	0.75	4.50	125,903
Market Changes/ Markets (trade weighted)	56505.11	0.79	0.00	0.12	3.91	1885.00	125,903
Market Drop/ Market Changes	0.42	0.40	0.00	0.17	0.64	1.00	110,605
Market Drop/ Market Changes (trade weighted)	0.40	0.30	0.00	0.03	0.75	1.00	110,605
Firm Level Switching Rate	0.52	0.60	0.00	0.29	0.80	0.86	155,335

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured across all years (2000-2006).

Table 32: By Firm Types
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	7.98	4.00	1.00	2.00	10.00	50.00	187,351
Number of Market Changes/ Number of Markets	0.97	0.71	0.00	0.47	1.00	6.33	111,489
Market Changes/ Markets (trade weighted)	3454.25	3.01	0.00	0.40	14.73	9305.07	111,489
Market Drop/ Market Changes	0.38	0.33	0.00	0.05	0.60	1.00	95,637
Market Drop/ Market Changes (trade weighted)	0.35	0.20	0.00	0.00	0.68	1.00	95,637
Firm Level Switching Rate	0.34	0.33	0.00	0.00	0.60	0.86	187,351
Foreign Invested Enterprises							
Number of Destination Markets	5.55	3.00	1.00	1.00	7.00	36.00	321,549
Number of Market Changes/ Number of Markets	0.63	0.50	0.00	0.00	0.83	4.00	239,786
Market Changes/ Markets (trade weighted)	14546.03	0.66	0.00	0.00	6.80	7876.68	239,786
Market Drop/ Market Changes	0.43	0.40	0.00	0.00	0.67	1.00	172,042
Market Drop/ Market Changes (trade weighted)	0.41	0.28	0.00	0.00	0.87	1.00	172,042
Firm Level Switching Rate	0.30	0.25	0.00	0.00	0.57	0.86	321,549
State-owned Enterprises							
Number of Destination Markets	14.75	7.00	1.00	2.00	20.00	81.00	79,675
Number of Market Changes/ Number of Markets	1.15	0.67	0.00	0.43	1.00	11.00	60,120
Market Changes/ Markets (trade weighted)	75410.93	2.03	0.00	0.36	12.90	49055.00	60,120
Market Drop/ Market Changes	0.50	0.50	0.00	0.27	0.75	1.00	54,583
Market Drop/ Market Changes (trade weighted)	0.50	0.48	0.00	0.11	0.89	1.00	54,583
Firm Level Switching Rate	0.52	0.60	0.00	0.33	0.80	0.86	79,675

Table 33: By the Form of Commerce
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
General Trade							
Number of Destination Markets	8.22	4.00	1.00	2.00	10.00	58.00	442,406
Number of Market Changes/ Number of Markets	0.90	0.67	0.00	0.36	1.00	6.00	299,323
Market Changes/ Markets (trade weighted)	6797.53	2.15	0.00	0.20	12.74	14550.72	299,323
Market Drop/ Market Changes	0.42	0.40	0.00	0.11	0.67	1.00	249,935
Market Drop/ Market Changes (trade weighted)	0.40	0.29	0.00	0.01	0.80	1.00	249,935
Firm Level Switching Rate	0.37	0.40	0.00	0.00	0.67	0.86	442,406
Mixture							
Number of Destination Markets	6.57	2.00	1.00	1.00	7.00	57.00	69,861
Number of Market Changes/ Number of Markets	0.49	0.38	0.00	0.00	0.67	3.00	55,655
Market Changes/ Markets (trade weighted)	910.32	0.18	0.00	0.00	2.52	600.23	55,655
Market Drop/ Market Changes	0.46	0.44	0.00	0.00	0.79	1.00	35,223
Market Drop/ Market Changes (trade weighted)	0.43	0.30	0.00	0.00	0.96	1.00	35,223
Firm Level Switching Rate	0.26	0.14	0.00	0.00	0.50	0.86	69,861
Processing Trade							
Number of Destination Markets	6.24	3.00	1.00	1.00	8.00	42.00	115,166
Number of Market Changes/ Number of Markets	0.68	0.50	0.00	0.00	0.86	4.50	83,694
Market Changes/ Markets (trade weighted)	80673.96	0.61	0.00	0.00	6.92	15154.90	83,694
Market Drop/ Market Changes	0.44	0.43	0.00	0.00	0.70	1.00	60,721
Market Drop/ Market Changes (trade weighted)	0.42	0.31	0.00	0.00	0.88	1.00	60,721
Firm Level Switching Rate	0.31	0.29	0.00	0.00	0.57	0.86	115,166

2.2 Regression Results

Table 34: Change in Unit Value to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Unit Value	(2) Unit Value
Market Drop/ Market Changes	0.20*** (0.00)	0.17*** (0.01)
Constant	-0.05*** (0.00)	
Observations	345,879	301,455
FE	No	F-P + T
R^2	0.00459	0.208
Within R^2		0.00336

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 35: Change in the Average Quantity (across markets) to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity
Market Drop/ Market Changes	-0.53*** (0.01)	-0.08*** (0.01)
Constant	0.35*** (0.00)	
Observations	345,879	301,455
FE	No	F + T
R^2	0.0144	0.260
Within R^2		0.000381

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 36: Change in the Total Quantity (across markets) to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity
Market Drop/ Market Changes	-2.36*** (0.01)	-1.82*** (0.01)
Constant	1.28*** (0.00)	
Observations	345,879	301,455
FE	No	F + T
R^2	0.197	0.403
Within R^2		0.135

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 37: Drop-Change Ratio to Changes in Relative Market Conditions
Trade patterns are calculated at the firm-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio
Augmented Bil. Exchange Rates	-0.11*** (0.00)	-0.12*** (0.00)
Augmented Destination CPI	-0.47*** (0.01)	-0.45*** (0.00)
Constant	0.45*** (0.00)	
Observations	345,879	301,455
Fixed Effects	No	F + T
R^2	0.222	0.428
Within R^2		0.205

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 38: Change in Mean Distance to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance
Market Drop/ Market Changes	-0.21*** (0.00)	-0.20*** (0.00)
Constant	0.11*** (0.00)	
Observations	345,879	301,455
Fixed Effects	No	F + T
R^2	0.0386	0.215
Within R^2		0.0357

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 39: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) UVCM	(2) UVCM
Market Drop/ Market Changes	0.07*** (0.00)	0.05*** (0.01)
Constant	-0.00* (0.00)	
Observations	322,965	281,564
Fixed Effects	No	F + T
R^2	0.000876	0.254
Within R^2		0.000552

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 40: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) MQCM	(2) MQCM
Market Drop/ Market Changes	-1.14*** (0.01)	-0.73*** (0.01)
Constant	0.67*** (0.00)	
Observations	322,965	281,564
Fixed Effects	No	F + T
R^2	0.0793	0.349
Within R^2		0.0370

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 41: Change in Unit Value of Continuing Markets to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Unit Value	(2) Unit Value
Market Drop/ Market Changes	0.12*** (0.00)	0.10*** (0.00)
Unit Value of Continuing Markets	0.77*** (0.00)	0.81*** (0.01)
Constant	-0.04*** (0.00)	
Observations	322,965	281,564
Fixed Effects	No	F-P + T
R^2	0.568	0.688
Within R^2		0.593

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 42: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1)	(2)
	Mean Quantity	Mean Quantity
Market Drop/ Market Changes	0.42*** (0.01)	0.58*** (0.01)
Mean Quantity of Continuing Markets	0.77*** (0.00)	0.78*** (0.00)
Constant	-0.20*** (0.00)	
Observations	322,965	281,564
Fixed Effects	No	F + T
R^2	0.633	0.739
Within R^2		0.633

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

3 Estimates based on deviations from the common trade pattern calculated at the product-time level; The estimation sample is constructed based on destinations with non-missing exchange rate and CPI series.

3.1 Key Statistics

Table 43: All Sectors - All Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	2.79	1.00	1.00	1.00	3.00	21.00	6,042,767
Number of Destinations in the Common Trade Pattern	1.01	1.00	1.00	1.00	1.00	1.00	6,042,767
Deviation from the Common TP in Each Period	1.28	1.50	0.00	0.75	2.00	2.00	6,042,761
Number of Market Changes/ Number of Markets	1.14	0.91	0.00	0.00	2.00	5.25	3,662,453
Market Changes/ Markets (trade weighted)	12328.42	3.37	0.00	0.00	29.73	30189.02	3,658,615
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,647,318
Market Drop/ Market Changes (trade weighted)	0.46	0.40	0.00	0.00	0.94	1.00	2,491,967
Firm Level Switching Rate	0.31	0.33	0.00	0.14	0.48	0.71	6,042,767

Table 44: All Sectors - Large Firms
 Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Number of Destination Markets	4.67	2.00	1.00	1.00	5.00	31.00	1,795,746
Number of Destinations in the Common Trade Pattern	1.33	1.00	1.00	1.00	1.00	11.00	1,795,746
Deviation from the Common TP in Each Period	1.11	1.07	0.00	0.67	1.50	3.00	1,795,746
Number of Market Changes/ Number of Markets	1.09	0.75	0.00	0.33	1.33	7.00	1,319,763
Market Changes/ Markets (trade weighted)	18134.86	2.73	0.00	0.00	19.97	33481.12	1,319,403
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	1,028,046
Market Drop/ Market Changes (trade weighted)	0.44	0.34	0.00	0.00	0.93	1.00	984,760
Firm Level Switching Rate	0.39	0.43	0.00	0.18	0.60	0.83	1,795,746

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 8-digit HS level across all years (2000-2006).

Table 45: All Sectors - All Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.69	2.00	1.00	1.00	5.00	35.00	1,927,605
Number of Destinations in the Common Trade Pattern	1.00	1.00	1.00	1.00	1.00	1.00	1,927,605
Deviation from the Common TP in Each Period	1.23	1.25	0.00	0.83	2.00	2.00	1,927,599
Number of Market Changes/ Number of Markets	0.97	0.67	0.00	0.00	1.20	6.00	1,249,621
Market Changes/ Markets (trade weighted)	15667.94	1.84	0.00	0.00	13.58	7384.67	1,248,671
Market Drop/ Market Changes	0.46	0.50	0.00	0.18	0.67	1.00	930,648
Market Drop/ Market Changes (trade weighted)	0.44	0.36	0.00	0.01	0.90	1.00	901,481
Firm Level Switching Rate	0.32	0.33	0.00	0.00	0.57	0.86	1,927,605

Table 46: All Sectors - Large Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	10.53	6.00	1.00	2.00	15.00	53.00	349,339
Number of Destinations in the Common Trade Pattern	1.02	1.00	1.00	1.00	1.00	1.00	349,339
Deviation from the Common TP in Each Period	1.01	0.96	0.00	0.86	1.17	2.00	349,339
Number of Market Changes/ Number of Markets	0.79	0.60	0.00	0.35	0.91	5.00	278,164
Market Changes/ Markets (trade weighted)	68412.46	1.16	0.00	0.12	5.83	2002.06	278,126
Market Drop/ Market Changes	0.43	0.43	0.00	0.18	0.67	1.00	239,024
Market Drop/ Market Changes (trade weighted)	0.42	0.32	0.00	0.03	0.80	1.00	236,213
Firm Level Switching Rate	0.49	0.57	0.00	0.25	0.75	0.86	349,339

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 2-digit HS level across all years (2000-2006).

3.1.1 By Product and Firm Types

(a) 8-digit Results

Table 47: By Firm Types
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	2.79	2.00	1.00	1.00	3.00	20.00	1,622,564
Number of Market Changes/ Number of Markets	1.21	1.00	0.00	0.00	2.00	6.00	794,632
Market Changes/ Markets (trade weighted)	2865.20	4.01	0.00	0.00	26.51	16015.61	794,158
Market Drop/ Market Changes	0.45	0.50	0.00	0.25	0.63	1.00	586,206
Market Drop/ Market Changes (trade weighted)	0.44	0.34	0.00	0.00	0.88	1.00	553,229
Firm Level Switching Rate	0.26	0.26	0.00	0.00	0.43	0.69	1,622,564
Foreign Invested Enterprises							
Number of Destination Markets	2.85	1.00	1.00	1.00	3.00	23.00	1,382,306
Number of Market Changes/ Number of Markets	0.77	0.50	0.00	0.00	1.00	4.00	911,985
Market Changes/ Markets (trade weighted)	14141.37	0.26	0.00	0.00	14.25	18082.48	910,149
Market Drop/ Market Changes	0.45	0.50	0.00	0.17	0.67	1.00	539,304
Market Drop/ Market Changes (trade weighted)	0.44	0.31	0.00	0.00	0.97	1.00	506,407
Firm Level Switching Rate	0.24	0.20	0.00	0.01	0.40	0.75	1,382,306
State-owned Enterprises							
Number of Destination Markets	2.72	1.00	1.00	1.00	3.00	20.00	2,625,871
Number of Market Changes/ Number of Markets	1.30	1.00	0.00	0.43	2.00	6.00	1,704,066
Market Changes/ Markets (trade weighted)	16966.63	5.78	0.00	0.00	40.06	48969.24	1,702,691
Market Drop/ Market Changes	0.49	0.50	0.00	0.33	0.67	1.00	1,328,684
Market Drop/ Market Changes (trade weighted)	0.48	0.46	0.00	0.02	0.95	1.00	1,249,193
Firm Level Switching Rate	0.37	0.39	0.00	0.25	0.50	0.70	2,625,871

Table 48: By the Form of Commerce
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
General Trade							
Number of Destination Markets	2.72	1.00	1.00	1.00	3.00	20.00	5,035,811
Number of Market Changes/ Number of Markets	1.23	1.00	0.00	0.20	2.00	6.00	2,988,262
Market Changes/ Markets (trade weighted)	5313.26	4.75	0.00	0.00	34.30	29555.36	2,985,451
Market Drop/ Market Changes	0.47	0.50	0.00	0.29	0.67	1.00	2,249,891
Market Drop/ Market Changes (trade weighted)	0.46	0.41	0.00	0.01	0.93	1.00	2,122,139
Firm Level Switching Rate	0.32	0.34	0.00	0.17	0.49	0.71	5,035,811
Mixture							
Number of Destination Markets	3.08	1.00	1.00	1.00	3.00	27.00	192,533
Number of Market Changes/ Number of Markets	0.55	0.25	0.00	0.00	0.90	3.50	144,715
Market Changes/ Markets (trade weighted)	3650.65	0.00	0.00	0.00	4.59	1517.72	144,683
Market Drop/ Market Changes	0.48	0.50	0.00	0.12	0.80	1.00	74,376
Market Drop/ Market Changes (trade weighted)	0.46	0.33	0.00	0.00	1.00	1.00	69,748
Firm Level Switching Rate	0.21	0.16	0.00	0.02	0.35	0.73	192,533
Processing Trade							
Number of Destination Markets	3.17	1.00	1.00	1.00	3.00	27.00	814,423
Number of Market Changes/ Number of Markets	0.82	0.50	0.00	0.00	1.13	5.00	529,476
Market Changes/ Markets (trade weighted)	54333.62	0.30	0.00	0.00	13.47	53766.10	528,481
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	323,051
Market Drop/ Market Changes (trade weighted)	0.45	0.35	0.00	0.00	0.97	1.00	300,080
Firm Level Switching Rate	0.26	0.23	0.00	0.05	0.43	0.74	814,423

Table 49: By Rauch Classification
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Differentiated Products							
Number of Destination Markets	2.84	1.00	1.00	1.00	3.00	21.00	4,578,836
Number of Market Changes/ Number of Markets	1.13	0.88	0.00	0.00	2.00	5.40	2,777,847
Market Changes/ Markets (trade weighted)	14623.51	3.87	0.00	0.00	32.82	41493.77	2,775,234
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,009,167
Market Drop/ Market Changes (trade weighted)	0.46	0.40	0.00	0.01	0.93	1.00	1,911,086
Firm Level Switching Rate	0.30	0.33	0.00	0.13	0.47	0.71	4,578,836
Organized Exchange							
Number of Destination Markets	2.19	1.00	1.00	1.00	2.00	14.00	62,597
Number of Market Changes/ Number of Markets	1.03	0.71	0.00	0.00	2.00	5.00	39,995
Market Changes/ Markets (trade weighted)	497.36	0.57	0.00	0.00	7.86	2001.06	39,986
Market Drop/ Market Changes	0.49	0.50	0.00	0.33	0.67	1.00	26,187
Market Drop/ Market Changes (trade weighted)	0.48	0.45	0.00	0.00	1.00	1.00	23,370
Firm Level Switching Rate	0.29	0.30	0.00	0.10	0.47	0.75	62,597
Reference Priced							
Number of Destination Markets	2.35	1.00	1.00	1.00	2.00	16.00	563,077
Number of Market Changes/ Number of Markets	1.19	1.00	0.00	0.00	2.00	5.00	351,034
Market Changes/ Markets (trade weighted)	1579.00	1.66	0.00	0.00	22.24	8093.53	350,473
Market Drop/ Market Changes	0.48	0.50	0.00	0.33	0.63	1.00	251,112
Market Drop/ Market Changes (trade weighted)	0.47	0.40	0.00	0.00	0.98	1.00	222,405
Firm Level Switching Rate	0.33	0.35	0.00	0.17	0.50	0.75	563,077

Table 50: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Market Markets	Changes/ Trade Weighted	Market Market	Drops/ Changes Trade Weighted	Firm Level Switching Rate	Obs.
1-5 Live animals; animal products	0.00	0.00	0.50	0.47	0.13	44,882
6-14 Vegetable products	0.33	0.00	0.50	0.43	0.17	134,952
15 Animal/vegetable fats	1.00	1.99	0.50	0.46	0.39	2,282
16-24 Prepared foodstuffs	0.40	0.00	0.50	0.39	0.17	85,874
25-27 Mineral products	0.54	0.02	0.50	0.45	0.25	32,180
28-38 Products of chemical and allied industries	1.00	4.86	0.50	0.43	0.41	379,742
39-40 Plastics/rubber articles	1.00	5.11	0.50	0.40	0.36	401,840
41-43 Rawhides/leather articles, furs	1.00	5.11	0.50	0.45	0.40	179,972
44-46 Wood and articles of wood	0.67	2.07	0.50	0.41	0.25	126,662
47-49 Pulp of wood/other fibrous cellulosic material	1.00	3.51	0.50	0.35	0.33	154,438
50-63 Textile and textile articles	0.80	3.57	0.50	0.40	0.29	1,620,660
64-67 Footwear, headgear, etc.	1.00	3.84	0.50	0.44	0.33	200,537
68-70 Misc. manufactured articles	1.00	2.20	0.50	0.40	0.33	230,100
71 Precious or semiprec. stones	0.89	3.93	0.50	0.37	0.25	25,929
72-83 Base metals and articles of base metals	0.87	3.70	0.50	0.39	0.33	652,357
84-85 Machinery and mechanical appliances, etc.	1.00	6.07	0.50	0.38	0.35	922,058
86-89 Vehicles, aircraft, etc.	0.97	7.66	0.50	0.36	0.35	118,649
90-92 Optical, photographic, etc.	0.88	2.78	0.50	0.41	0.35	180,550
93 Arms and ammunition	1.00	15.46	0.50	0.43	0.49	697
94-96 Articles of stone, plaster, etc.	1.00	2.86	0.50	0.42	0.33	542,511
97+ Others	0.67	2.83	0.50	0.46	0.20	7,264

(b) 2-digit Results

Table 51: By Firm Types
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	4.40	2.00	1.00	1.00	5.00	31.00	616,842
Number of Market Changes/ Number of Markets	1.10	0.80	0.00	0.25	1.33	7.00	329,500
Market Changes/ Markets (trade weighted)	3717.51	2.71	0.00	0.00	15.11	5391.53	329,407
Market Drop/ Market Changes	0.42	0.43	0.00	0.14	0.67	1.00	250,582
Market Drop/ Market Changes (trade weighted)	0.41	0.28	0.00	0.00	0.82	1.00	242,882
Firm Level Switching Rate	0.28	0.25	0.00	0.00	0.50	0.83	616,842
Foreign Invested Enterprises							
Number of Destination Markets	4.07	2.00	1.00	1.00	4.00	30.00	585,064
Number of Market Changes/ Number of Markets	0.70	0.50	0.00	0.00	1.00	4.00	414,254
Market Changes/ Markets (trade weighted)	9953.59	0.50	0.00	0.00	8.79	7665.40	413,663
Market Drop/ Market Changes	0.44	0.50	0.00	0.07	0.67	1.00	273,380
Market Drop/ Market Changes (trade weighted)	0.42	0.29	0.00	0.00	0.93	1.00	262,404
Firm Level Switching Rate	0.27	0.20	0.00	0.00	0.50	0.86	585,064
State-owned Enterprises							
Number of Destination Markets	5.45	2.00	1.00	1.00	6.00	40.00	600,704
Number of Market Changes/ Number of Markets	1.12	0.80	0.00	0.41	1.43	7.00	426,876
Market Changes/ Markets (trade weighted)	32171.75	2.81	0.00	0.11	16.76	9535.88	426,662
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.71	1.00	344,851
Market Drop/ Market Changes (trade weighted)	0.48	0.46	0.00	0.05	0.93	1.00	335,993
Firm Level Switching Rate	0.40	0.50	0.00	0.00	0.67	0.86	600,704

Table 52: By the Form of Commerce
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
General Trade							
Number of Destination Markets	4.67	2.00	1.00	1.00	5.00	35.00	1,608,187
Number of Market Changes/ Number of Markets	1.04	0.75	0.00	0.29	1.33	6.00	1,020,819
Market Changes/ Markets (trade weighted)	3120.67	2.46	0.00	0.00	15.64	7546.52	1,020,133
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	783,492
Market Drop/ Market Changes (trade weighted)	0.44	0.36	0.00	0.01	0.89	1.00	761,353
Firm Level Switching Rate	0.33	0.33	0.00	0.00	0.57	0.86	1,608,187
Mixture							
Number of Destination Markets	4.93	2.00	1.00	1.00	5.00	38.00	62,545
Number of Market Changes/ Number of Markets	0.54	0.40	0.00	0.00	0.75	3.00	48,897
Market Changes/ Markets (trade weighted)	2340.69	0.13	0.00	0.00	2.78	755.27	48,885
Market Drop/ Market Changes	0.46	0.50	0.00	0.00	0.75	1.00	30,219
Market Drop/ Market Changes (trade weighted)	0.43	0.30	0.00	0.00	0.97	1.00	28,991
Firm Level Switching Rate	0.26	0.17	0.00	0.00	0.50	0.86	62,545
Processing Trade							
Number of Destination Markets	4.70	2.00	1.00	1.00	5.00	37.00	256,873
Number of Market Changes/ Number of Markets	0.71	0.50	0.00	0.00	1.00	4.33	179,905
Market Changes/ Markets (trade weighted)	90542.20	0.31	0.00	0.00	6.41	10197.01	179,653
Market Drop/ Market Changes	0.45	0.50	0.00	0.13	0.67	1.00	116,937
Market Drop/ Market Changes (trade weighted)	0.44	0.33	0.00	0.00	0.94	1.00	111,137
Firm Level Switching Rate	0.28	0.25	0.00	0.00	0.50	0.86	256,873

Table 53: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Market Changes/ Markets	Market Changes/ Mar- kets	Market Drops/ Mar- ket Changes	Market Changes	Firm Level Switching Rate	Obs.
		Trade Weighted		Trade Weighted		
1-5 Live animals; animal products	0.40	0.10	0.50	0.47	0.00	20,131
6-14 Vegetable products	0.33	0.03	0.50	0.43	0.00	62,732
15 Animal/vegetable fats	0.50	0.71	0.50	0.49	0.00	1,894
16-24 Prepared foodstuffs	0.25	0.00	0.50	0.36	0.00	49,103
25-27 Mineral products	0.45	0.02	0.50	0.41	0.00	19,526
28-38 Products of chemical and allied industries	0.67	2.15	0.50	0.38	0.33	134,969
39-40 Plastics/rubber articles	0.84	3.81	0.50	0.32	0.43	145,996
41-43 Rawhides/leather articles, furs	0.75	2.39	0.50	0.41	0.33	73,631
44-46 Wood and articles of wood	0.63	1.56	0.50	0.39	0.25	59,363
47-49 Pulp of wood/other fibrous cellulosic material	1.00	3.77	0.50	0.33	0.40	71,731
50-63 Textile and textile articles	0.68	1.99	0.50	0.36	0.29	338,780
64-67 Footwear, headgear, etc.	0.80	2.27	0.50	0.42	0.33	93,804
68-70 Misc. manufactured articles	0.80	1.53	0.50	0.37	0.33	104,658
71 Precious or semiprec. stones	0.78	2.73	0.50	0.35	0.17	16,485
72-83 Base metals and articles of base metals	0.67	1.93	0.50	0.34	0.25	234,045
84-85 Machinery and mechanical appliances, etc.	0.67	3.30	0.44	0.30	0.33	216,585
86-89 Vehicles, aircraft, etc.	0.67	3.48	0.43	0.31	0.33	43,982
90-92 Optical, photographic, etc.	0.67	1.89	0.50	0.36	0.33	62,973
93 Arms and ammunition	0.80	8.43	0.50	0.41	0.33	449
94-96 Articles of stone, plaster, etc.	0.71	1.41	0.50	0.40	0.33	172,014
97+ Others	0.50	0.87	0.50	0.44	0.00	4,754

3.2 Regression Results

Table 54: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.09*** (0.00)	0.08*** (0.00)	0.08*** (0.00)
Constant	0.00*** (0.00)		
Observations	2,641,879	1,894,897	2,612,619
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000899	0.211	0.0479
Within R^2		0.000956	0.000737

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 55: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.16*** (0.00)	0.15*** (0.00)	0.15*** (0.00)
Constant	-0.03*** (0.00)		
Observations	929,473	897,149	897,149
Fixed Effects	No	F-P + T	P-T + F
R^2	0.00314	0.0765	0.0765
Within R^2		0.00237	0.00237

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 56: Change in the Average Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.77*** (0.00)	-0.53*** (0.00)	-0.67*** (0.00)
Constant	0.38*** (0.00)		
Observations	2,641,880	1,894,897	2,612,620
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0168	0.235	0.0731
Within R^2		0.00950	0.0120

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 57: Change in the Average Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.78*** (0.01)	-0.58*** (0.01)	-0.58*** (0.01)
Constant	0.41*** (0.00)		
Observations	929,473	897,149	897,149
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0237	0.120	0.120
Within R^2		0.0121	0.0121

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 58: Change in the Total Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.81*** (0.00)	-2.58*** (0.01)	-2.69*** (0.00)
Constant	1.41*** (0.00)		
Observations	2,641,880	1,894,897	2,612,620
Fixed Effects	No	F-P + T	P-T + F
R^2	0.171	0.376	0.223
Within R^2		0.171	0.152

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 59: Change in the Total Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.78*** (0.01)	-2.53*** (0.01)	-2.53*** (0.01)
Constant	1.42*** (0.00)		
Observations	929,473	897,149	897,149
Fixed Effects	No	F-P + T	P-T + F
R^2	0.213	0.299	0.299
Within R^2		0.172	0.172

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 60: Drop-Change Ratio to Changes in Relative Market Conditions
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio	(3) DC Ratio
Augmented Bil. Exchange Rates	-0.17*** (0.00)	-0.21*** (0.00)	-0.17*** (0.00)
Augmented Destination CPI	-0.76*** (0.00)	-0.76*** (0.00)	-0.74*** (0.00)
Constant	0.48*** (0.00)		
Observations	2,647,318	1,898,599	2,618,064
Fixed Effects	No	F-P + T	P-T + F
R^2	0.216	0.412	0.293
Within R^2		0.231	0.205

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 61: Drop-Change Ratio to Changes in Relative Market Conditions
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio	(3) DC Ratio
Augmented Bil. Exchange Rates	-0.14*** (0.00)	-0.14*** (0.00)	-0.14*** (0.00)
Augmented Destination CPI	-0.63*** (0.00)	-0.58*** (0.00)	-0.58*** (0.00)
Constant	0.47*** (0.00)		
Observations	930,648	898,317	898,317
Fixed Effects	No	F-P + T	P-T + F
R^2	0.240	0.351	0.351
Within R^2		0.213	0.213

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 62: Change in Mean Distance to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance	(3) Mean Distance
Market Drop/ Market Changes	-0.17*** (0.00)	-0.17*** (0.00)	-0.17*** (0.00)
Constant	0.10*** (0.00)		
Observations	2,647,318	1,898,599	2,618,064
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0120	0.200	0.0780
Within R^2		0.0135	0.0105

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 63: Change in Mean Distance to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance	(3) Mean Distance
Market Drop/ Market Changes	-0.18*** (0.00)	-0.13*** (0.00)	-0.13*** (0.00)
Constant	0.11*** (0.00)		
Observations	930,648	898,317	898,317
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0149	0.110	0.110
Within R^2		0.00736	0.00736

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 64: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.01*** (0.00)	0.01*** (0.00)	0.01*** (0.00)
Constant	0.02*** (0.00)		
Observations	1,844,722	1,335,569	1,814,733
Fixed Effects	No	F-P + T	P-T + F
R^2	2.74e-05	0.284	0.0677
Within R^2		2.54e-05	1.83e-05

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 65: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.04*** (0.00)	0.03*** (0.00)	0.03*** (0.00)
Constant	0.01*** (0.00)		
Observations	785,943	754,131	754,131
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000321	0.0936	0.0936
Within R^2		0.000163	0.000163

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 66: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.83*** (0.00)	-0.67*** (0.00)	-0.70*** (0.00)
Constant	0.44*** (0.00)		
Observations	1,844,722	1,335,569	1,814,733
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0356	0.318	0.118
Within R^2		0.0255	0.0241

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 67: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.97*** (0.01)	-0.74*** (0.01)	-0.74*** (0.01)
Constant	0.53*** (0.00)		
Observations	785,943	754,131	754,131
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0523	0.171	0.171
Within R^2		0.0296	0.0296

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 68: Change in Unit Value of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.06*** (0.00)	0.06*** (0.00)	0.06*** (0.00)
Unit Value of Continuing Markets	0.75*** (0.00)	0.75*** (0.00)	0.74*** (0.00)
Constant	-0.02*** (0.00)		
Observations	1,844,722	1,335,569	1,814,733
Fixed Effects	No	F-P + T	P-T + F
R^2	0.548	0.649	0.568
Within R^2		0.529	0.536

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 69: Change in Unit Value of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.11*** (0.00)	0.11*** (0.00)	0.11*** (0.00)
Unit Value of Continuing Markets	0.70*** (0.00)	0.69*** (0.00)	0.69*** (0.00)
Constant	-0.04*** (0.00)		
Observations	785,943	754,131	754,131
Fixed Effects	No	F-P + T	P-T + F
R^2	0.491	0.524	0.524
Within R^2		0.477	0.477

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 70: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.03*** (0.00)	0.20*** (0.00)	0.04*** (0.00)
Mean Quantity of Continuing Markets	0.73*** (0.00)	0.73*** (0.00)	0.73*** (0.00)
Constant	-0.02*** (0.00)		
Observations	1,844,722	1,335,569	1,814,733
Fixed Effects	No	F-P + T	P-T + F
R^2	0.624	0.719	0.645
Within R^2		0.607	0.608

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 71: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.07*** (0.00)	0.11*** (0.00)	0.11*** (0.00)
Mean Quantity of Continuing Markets	0.73*** (0.00)	0.72*** (0.00)	0.72*** (0.00)
Constant	-0.04*** (0.00)		
Observations	785,943	754,131	754,131
Fixed Effects	No	F-P + T	P-T + F
R^2	0.575	0.610	0.610
Within R^2		0.547	0.547

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

4 Estimates based on deviations from the common trade pattern calculated at the firm-product level; The estimation sample is constructed based on destinations with non-missing exchange rate and CPI series.

4.1 Key Statistics

Table 72: All Sectors - All Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	2.79	1.00	1.00	1.00	3.00	21.00	6,042,767
Number of Destinations in the Common Trade Pattern	2.70	1.00	1.00	1.00	3.00	21.00	6,042,767
Deviation from the Common TP in Each Period	0.64	0.00	0.00	0.00	1.00	5.00	6,042,761
Number of Market Changes/ Number of Markets	0.95	0.67	0.00	0.00	1.50	5.00	3,662,453
Market Changes/ Markets (trade weighted)	8092.44	0.65	0.00	0.00	13.33	12465.22	3,658,615
Market Drop/ Market Changes	0.47	0.50	0.00	0.20	0.67	1.00	2,469,771
Market Drop/ Market Changes (trade weighted)	0.48	0.38	0.00	0.00	1.00	1.00	2,189,105
Firm Level Switching Rate	0.26	0.26	0.00	0.04	0.43	0.69	6,042,767

Table 73: All Sectors - Large Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.67	2.00	1.00	1.00	5.00	31.00	1,795,746
Number of Destinations in the Common Trade Pattern	4.50	2.00	1.00	1.00	5.00	31.00	1,795,746
Deviation from the Common TP in Each Period	0.77	0.38	0.00	0.00	1.00	7.00	1,795,746
Number of Market Changes/ Number of Markets	0.84	0.64	0.00	0.00	1.00	5.00	1,319,763
Market Changes/ Markets (trade weighted)	11097.21	0.55	0.00	0.00	7.69	11526.99	1,319,403
Market Drop/ Market Changes	0.45	0.50	0.00	0.13	0.70	1.00	974,393
Market Drop/ Market Changes (trade weighted)	0.46	0.34	0.00	0.00	1.00	1.00	865,488
Firm Level Switching Rate	0.33	0.33	0.00	0.04	0.54	0.83	1,795,746

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 8-digit HS level across all years (2000-2006).

Table 74: All Sectors - All Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.69	2.00	1.00	1.00	5.00	35.00	1,927,605
Number of Destinations in the Common Trade Pattern	4.57	2.00	1.00	1.00	5.00	35.00	1,927,605
Deviation from the Common TP in Each Period	0.71	0.00	0.00	0.00	1.00	7.00	1,927,599
Number of Market Changes/ Number of Markets	0.90	0.67	0.00	0.00	1.00	6.00	1,249,621
Market Changes/ Markets (trade weighted)	10429.58	0.43	0.00	0.00	5.81	3121.85	1,248,671
Market Drop/ Market Changes	0.45	0.50	0.00	0.14	0.69	1.00	905,291
Market Drop/ Market Changes (trade weighted)	0.47	0.35	0.00	0.00	1.00	1.00	800,217
Firm Level Switching Rate	0.29	0.25	0.00	0.00	0.50	0.86	1,927,605

Table 75: All Sectors - Large Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	10.53	6.00	1.00	2.00	15.00	53.00	349,339
Number of Destinations in the Common Trade Pattern	10.32	6.00	1.00	2.00	15.00	54.00	349,339
Deviation from the Common TP in Each Period	0.90	0.56	0.00	0.00	1.00	9.00	349,339
Number of Market Changes/ Number of Markets	0.75	0.57	0.00	0.33	0.86	5.00	278,164
Market Changes/ Markets (trade weighted)	40091.21	0.36	0.00	0.01	2.27	661.04	278,126
Market Drop/ Market Changes	0.43	0.42	0.00	0.17	0.67	1.00	236,757
Market Drop/ Market Changes (trade weighted)	0.45	0.34	0.00	0.00	1.00	1.00	216,819
Firm Level Switching Rate	0.47	0.50	0.00	0.17	0.75	0.86	349,339

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 2-digit HS level across all years (2000-2006).

4.1.1 By Product and Firm Types

(a) 8-digit Results

Table 76: By Firm Types
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	2.79	2.00	1.00	1.00	3.00	20.00	1,622,564
Number of Market Changes/ Number of Markets	1.04	0.75	0.00	0.00	1.50	5.50	794,632
Market Changes/ Markets (trade weighted)	1518.67	0.83	0.00	0.00	11.36	6207.60	794,158
Market Drop/ Market Changes	0.44	0.50	0.00	0.20	0.67	1.00	547,947
Market Drop/ Market Changes (trade weighted)	0.47	0.23	0.00	0.00	1.00	1.00	479,317
Firm Level Switching Rate	0.22	0.21	0.00	0.00	0.40	0.67	1,622,564
Foreign Invested Enterprises							
Number of Destination Markets	2.85	1.00	1.00	1.00	3.00	23.00	1,382,306
Number of Market Changes/ Number of Markets	0.62	0.33	0.00	0.00	1.00	4.00	911,985
Market Changes/ Markets (trade weighted)	6816.36	0.00	0.00	0.00	4.15	6532.98	910,149
Market Drop/ Market Changes	0.45	0.50	0.00	0.00	0.70	1.00	498,364
Market Drop/ Market Changes (trade weighted)	0.46	0.25	0.00	0.00	1.00	1.00	426,295
Firm Level Switching Rate	0.19	0.12	0.00	0.00	0.33	0.75	1,382,306
State-owned Enterprises							
Number of Destination Markets	2.72	1.00	1.00	1.00	3.00	20.00	2,625,871
Number of Market Changes/ Number of Markets	1.08	0.88	0.00	0.00	2.00	5.00	1,704,066
Market Changes/ Markets (trade weighted)	12728.56	1.74	0.00	0.00	19.87	22016.11	1,702,691
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.67	1.00	1,241,261
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.00	1.00	1.00	1,119,967
Firm Level Switching Rate	0.31	0.33	0.00	0.18	0.46	0.68	2,625,871

Table 77: By the Form of Commerce
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	2.72	1.00	1.00	1.00	3.00	20.00	5,035,578
Number of Market Changes/ Number of Markets	1.03	0.79	0.00	0.00	1.50	5.00	2,987,849
Market Changes/ Markets (trade weighted)	3580.90	1.21	0.00	0.00	16.17	12658.40	2,985,040
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,105,702
Market Drop/ Market Changes (trade weighted)	0.48	0.38	0.00	0.00	1.00	1.00	1,875,848
Firm Level Switching Rate	0.27	0.29	0.00	0.08	0.43	0.69	5,035,578
Mixture							
Number of Destination Markets	3.08	1.00	1.00	1.00	3.00	27.00	192,118
Number of Market Changes/ Number of Markets	0.44	0.00	0.00	0.00	0.67	3.00	144,494
Market Changes/ Markets (trade weighted)	1216.79	0.00	0.00	0.00	0.96	464.76	144,462
Market Drop/ Market Changes	0.48	0.50	0.00	0.00	1.00	1.00	68,401
Market Drop/ Market Changes (trade weighted)	0.50	0.46	0.00	0.00	1.00	1.00	57,905
Firm Level Switching Rate	0.17	0.09	0.00	0.00	0.29	0.71	192,118
Processing Trade							
Number of Destination Markets	3.17	1.00	1.00	1.00	3.00	27.00	815,071
Number of Market Changes/ Number of Markets	0.65	0.40	0.00	0.00	1.00	4.00	530,110
Market Changes/ Markets (trade weighted)	35421.95	0.00	0.00	0.00	3.97	19037.00	529,113
Market Drop/ Market Changes	0.46	0.50	0.00	0.00	0.75	1.00	295,668
Market Drop/ Market Changes (trade weighted)	0.47	0.32	0.00	0.00	1.00	1.00	255,352
Firm Level Switching Rate	0.20	0.15	0.00	0.00	0.37	0.71	815,071

Table 78: By Rauch Classification
 Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Differentiated Products							
Number of Destination Markets	2.84	1.00	1.00	1.00	3.00	21.00	4,578,836
Number of Market Changes/ Number of Markets	0.98	0.71	0.00	0.00	1.50	5.00	2,777,847
Market Changes/ Markets (trade weighted)	9391.12	0.88	0.00	0.00	15.28	17219.67	2,775,234
Market Drop/ Market Changes	0.47	0.50	0.00	0.22	0.67	1.00	1,906,267
Market Drop/ Market Changes (trade weighted)	0.48	0.38	0.00	0.00	1.00	1.00	1,697,290
Firm Level Switching Rate	0.27	0.27	0.00	0.05	0.43	0.69	4,578,836
Organized Exchange							
Number of Destination Markets	2.19	1.00	1.00	1.00	2.00	14.00	62,597
Number of Market Changes/ Number of Markets	0.66	0.40	0.00	0.00	1.00	4.00	39,995
Market Changes/ Markets (trade weighted)	363.68	0.00	0.00	0.00	2.26	803.83	39,986
Market Drop/ Market Changes	0.49	0.50	0.00	0.00	0.83	1.00	21,781
Market Drop/ Market Changes (trade weighted)	0.50	0.48	0.00	0.00	1.00	1.00	18,409
Firm Level Switching Rate	0.18	0.13	0.00	0.00	0.33	0.69	62,597
Reference Priced							
Number of Destination Markets	2.35	1.00	1.00	1.00	2.00	16.00	563,077
Number of Market Changes/ Number of Markets	0.79	0.50	0.00	0.00	1.14	4.00	351,034
Market Changes/ Markets (trade weighted)	963.99	0.05	0.00	0.00	7.68	3567.52	350,473
Market Drop/ Market Changes	0.47	0.50	0.00	0.17	0.67	1.00	213,002
Market Drop/ Market Changes (trade weighted)	0.48	0.37	0.00	0.00	1.00	1.00	184,203
Firm Level Switching Rate	0.23	0.22	0.00	0.00	0.37	0.67	563,077

Table 79: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Market	Changes /	Market	Drops /	Firm Level	Obs.
	Markets		Market	Market	Switching	
			Changes	Changes	Rate	
		Trade		Trade		
		Weighted		Weighted		
1-5 Live animals; animal products	0.00	0.00	0.50	0.52	0.06	44,882
6-14 Vegetable products	0.00	0.00	0.50	0.43	0.06	134,952
15 Animal/vegetable fats	0.33	0.00	0.50	0.36	0.00	2,282
16-24 Prepared foodstuffs	0.00	0.00	0.50	0.36	0.03	85,874
25-27 Mineral products	0.25	0.00	0.50	0.42	0.09	32,180
28-38 Products of chemical and allied industries	0.61	0.55	0.50	0.42	0.25	379,742
39-40 Plastics/rubber articles	0.83	1.46	0.50	0.39	0.31	401,840
41-43 Rawhides/leather articles, furs	0.90	1.36	0.50	0.44	0.33	179,972
44-46 Wood and articles of wood	0.59	0.32	0.50	0.44	0.22	126,662
47-49 Pulp of wood/other fibrous cellulosic material	0.80	0.75	0.50	0.29	0.27	154,438
50-63 Textile and textile articles	0.67	0.66	0.50	0.35	0.25	1,620,660
64-67 Footwear, headgear, etc.	0.86	1.22	0.50	0.43	0.33	200,537
68-70 Misc. manufactured articles	0.75	0.53	0.50	0.37	0.27	230,100
71 Precious or semiprec. stones	0.80	1.01	0.50	0.28	0.20	25,929
72-83 Base metals and articles of base metals	0.71	0.94	0.50	0.37	0.29	652,357
84-85 Machinery and mechanical appliances, etc.	0.67	0.87	0.50	0.33	0.28	922,058
86-89 Vehicles, aircraft, etc.	0.73	1.65	0.50	0.33	0.29	118,649
90-92 Optical, photographic, etc.	0.67	0.56	0.50	0.40	0.29	180,550
93 Arms and ammunition	0.93	5.91	0.50	0.26	0.40	697
94-96 Articles of stone, plaster, etc.	0.86	0.86	0.50	0.41	0.33	542,511
97+ Others	0.50	0.06	0.50	0.38	0.00	7,264

(b) 2-digit Results

Table 80: By Firm Types
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	4.40	2.00	1.00	1.00	5.00	31.00	616,842
Number of Market Changes/ Number of Markets	1.03	0.75	0.00	0.00	1.25	7.00	329,500
Market Changes/ Markets (trade weighted)	923.15	0.63	0.00	0.00	6.44	2313.03	329,407
Market Drop/ Market Changes	0.42	0.40	0.00	0.10	0.67	1.00	243,648
Market Drop/ Market Changes (trade weighted)	0.45	0.21	0.00	0.00	1.00	1.00	212,166
Firm Level Switching Rate	0.26	0.00	0.00	0.00	0.50	0.80	616,842
Foreign Invested Enterprises							
Number of Destination Markets	4.07	2.00	1.00	1.00	4.00	30.00	585,064
Number of Market Changes/ Number of Markets	0.62	0.50	0.00	0.00	0.89	4.00	414,254
Market Changes/ Markets (trade weighted)	6389.03	0.04	0.00	0.00	2.81	2912.37	413,663
Market Drop/ Market Changes	0.44	0.44	0.00	0.00	0.70	1.00	262,161
Market Drop/ Market Changes (trade weighted)	0.45	0.26	0.00	0.00	1.00	1.00	226,272
Firm Level Switching Rate	0.24	0.00	0.00	0.00	0.50	0.86	585,064
State-owned Enterprises							
Number of Destination Markets	5.45	2.00	1.00	1.00	6.00	40.00	600,704
Number of Market Changes/ Number of Markets	1.06	0.75	0.00	0.35	1.33	7.00	426,876
Market Changes/ Markets (trade weighted)	22700.87	0.96	0.00	0.00	8.28	4369.75	426,662
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.75	1.00	338,839
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.00	1.00	1.00	307,181
Firm Level Switching Rate	0.38	0.40	0.00	0.00	0.67	0.86	600,704

Table 81: By the Form of Commerce
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	4.67	2.00	1.00	1.00	5.00	35.00	1,608,264
Number of Market Changes/ Number of Markets	0.97	0.67	0.00	0.00	1.17	6.00	1,020,895
Market Changes/ Markets (trade weighted)	1839.94	0.66	0.00	0.00	7.01	3227.33	1,020,207
Market Drop/ Market Changes	0.45	0.50	0.00	0.17	0.67	1.00	765,306
Market Drop/ Market Changes (trade weighted)	0.47	0.35	0.00	0.00	1.00	1.00	679,316
Firm Level Switching Rate	0.31	0.29	0.00	0.00	0.50	0.86	1,608,264
Mixture							
Number of Destination Markets	4.90	2.00	1.00	1.00	5.00	37.00	62,261
Number of Market Changes/ Number of Markets	0.47	0.33	0.00	0.00	0.67	3.00	48,594
Market Changes/ Markets (trade weighted)	1288.50	0.00	0.00	0.00	0.85	237.09	48,585
Market Drop/ Market Changes	0.45	0.44	0.00	0.00	0.80	1.00	28,864
Market Drop/ Market Changes (trade weighted)	0.47	0.35	0.00	0.00	1.00	1.00	24,777
Firm Level Switching Rate	0.23	0.00	0.00	0.00	0.43	0.86	62,261
Processing Trade							
Number of Destination Markets	4.72	2.00	1.00	1.00	5.00	38.00	257,080
Number of Market Changes/ Number of Markets	0.62	0.43	0.00	0.00	0.83	4.00	180,132
Market Changes/ Markets (trade weighted)	61615.83	0.02	0.00	0.00	1.82	4146.76	179,879
Market Drop/ Market Changes	0.45	0.50	0.00	0.00	0.75	1.00	111,121
Market Drop/ Market Changes (trade weighted)	0.46	0.31	0.00	0.00	1.00	1.00	96,124
Firm Level Switching Rate	0.24	0.00	0.00	0.00	0.50	0.86	257,080

Table 82: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Market	Changes /	Market	Drops /	Firm Level	Obs.
	Markets		Market	Market	Switching	
			Changes	Changes	Rate	
		Trade		Trade		
		Weighted		Weighted		
1-5 Live animals; animal products	0.33	0.00	0.50	0.50	0.00	20,131
6-14 Vegetable products	0.33	0.00	0.50	0.46	0.00	62,732
15 Animal/vegetable fats	0.50	0.00	0.50	0.45	0.00	1,894
16-24 Prepared foodstuffs	0.25	0.00	0.50	0.35	0.00	49,103
25-27 Mineral products	0.45	0.00	0.50	0.41	0.00	19,526
28-38 Products of chemical and allied industries	0.60	0.49	0.50	0.37	0.25	134,969
39-40 Plastics/rubber articles	0.67	0.74	0.50	0.34	0.33	145,996
41-43 Rawhides/leather articles, furs	0.71	0.74	0.50	0.43	0.33	73,631
44-46 Wood and articles of wood	0.63	0.43	0.50	0.39	0.25	59,363
47-49 Pulp of wood/other fibrous cellulosic material	0.75	0.68	0.50	0.27	0.25	71,731
50-63 Textile and textile articles	0.67	0.53	0.50	0.34	0.25	338,780
64-67 Footwear, headgear, etc.	0.78	0.76	0.50	0.42	0.33	93,804
68-70 Misc. manufactured articles	0.71	0.39	0.50	0.37	0.29	104,658
71 Precious or semiprec. stones	0.78	0.76	0.50	0.27	0.17	16,485
72-83 Base metals and articles of base metals	0.67	0.54	0.50	0.32	0.25	234,045
84-85 Machinery and mechanical appliances, etc.	0.57	0.50	0.40	0.26	0.29	216,585
86-89 Vehicles, aircraft, etc.	0.67	0.92	0.43	0.30	0.29	43,982
90-92 Optical, photographic, etc.	0.64	0.42	0.50	0.36	0.33	62,973
93 Arms and ammunition	0.80	4.43	0.50	0.39	0.33	449
94-96 Articles of stone, plaster, etc.	0.71	0.45	0.50	0.40	0.33	172,014
97+ Others	0.50	0.00	0.50	0.38	0.00	4,754

4.2 Regression Results

Table 83: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.09*** (0.00)	0.08*** (0.00)	0.08*** (0.00)
Constant	0.01*** (0.00)		
Observations	2,464,962	1,788,094	2,436,993
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000970	0.209	0.0492
Within R^2		0.00102	0.000782

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 84: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.16*** (0.00)	0.15*** (0.00)	0.15*** (0.00)
Constant	-0.03*** (0.00)		
Observations	904,189	873,994	873,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.00323	0.0761	0.0761
Within R^2		0.00244	0.00244

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 85: Change in the Average Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.74*** (0.00)	-0.52*** (0.00)	-0.64*** (0.00)
Constant	0.36*** (0.00)		
Observations	2,464,963	1,788,094	2,436,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0179	0.234	0.0748
Within R^2		0.0105	0.0127

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 86: Change in the Average Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.76*** (0.01)	-0.57*** (0.01)	-0.57*** (0.01)
Constant	0.40*** (0.00)		
Observations	904,189	873,994	873,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0243	0.120	0.120
Within R^2		0.0125	0.0125

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 87: Change in the Total Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.71*** (0.00)	-2.49*** (0.00)	-2.59*** (0.00)
Constant	1.36*** (0.00)		
Observations	2,464,963	1,788,094	2,436,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.182	0.383	0.232
Within R^2		0.180	0.160

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 88: Change in the Total Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.73*** (0.01)	-2.49*** (0.01)	-2.49*** (0.01)
Constant	1.40*** (0.00)		
Observations	904,189	873,994	873,994
Fixed Effects	No	F-P + T	P-T + F
R^2	0.218	0.303	0.303
Within R^2		0.176	0.176

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 89: Drop-Change Ratio to Changes in Relative Market Conditions
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio	(3) DC Ratio
Augmented Bil. Exchange Rates	-0.18*** (0.00)	-0.22*** (0.00)	-0.18*** (0.00)
Augmented Destination CPI	-0.82*** (0.00)	-0.81*** (0.00)	-0.78*** (0.00)
Constant	0.48*** (0.00)		
Observations	2,469,771	1,791,353	2,441,803
Fixed Effects	No	F-P + T	P-T + F
R^2	0.221	0.415	0.296
Within R^2		0.232	0.205

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 90: Drop-Change Ratio to Changes in Relative Market Conditions
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) DC Ratio	(2) DC Ratio	(3) DC Ratio
Augmented Bil. Exchange Rates	-0.14*** (0.00)	-0.14*** (0.00)	-0.14*** (0.00)
Augmented Destination CPI	-0.64*** (0.00)	-0.59*** (0.00)	-0.59*** (0.00)
Constant	0.47*** (0.00)		
Observations	905,291	875,096	875,096
Fixed Effects	No	F-P + T	P-T + F
R^2	0.238	0.353	0.353
Within R^2		0.211	0.211

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 91: Change in Mean Distance to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance	(3) Mean Distance
Market Drop/ Market Changes	-0.17*** (0.00)	-0.16*** (0.00)	-0.16*** (0.00)
Constant	0.10*** (0.00)		
Observations	2,469,771	1,791,353	2,441,803
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0124	0.196	0.0831
Within R^2		0.0138	0.0107

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 92: Change in Mean Distance to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Distance	(2) Mean Distance	(3) Mean Distance
Market Drop/ Market Changes	-0.18*** (0.00)	-0.13*** (0.00)	-0.13*** (0.00)
Constant	0.11*** (0.00)		
Observations	905,291	875,096	875,096
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0148	0.111	0.111
Within R^2		0.00729	0.00729

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 93: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.01*** (0.00)	0.01*** (0.00)	0.01*** (0.00)
Constant	0.02*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	3.14e-05	0.286	0.0673
Within R^2		3.45e-05	2.00e-05

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 94: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.04*** (0.00)	0.03*** (0.00)	0.03*** (0.00)
Constant	0.01*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000331	0.0927	0.0927
Within R^2		0.000168	0.000168

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 95: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.80*** (0.00)	-0.65*** (0.00)	-0.67*** (0.00)
Constant	0.42*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0402	0.322	0.123
Within R^2		0.0283	0.0266

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 96: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.95*** (0.00)	-0.73*** (0.01)	-0.73*** (0.01)
Constant	0.52*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0544	0.172	0.172
Within R^2		0.0306	0.0306

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 97: Change in Unit Value of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.06*** (0.00)	0.06*** (0.00)	0.06*** (0.00)
Unit Value of Continuing Markets	0.71*** (0.00)	0.73*** (0.00)	0.70*** (0.00)
Constant	-0.02*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	0.493	0.626	0.517
Within R^2		0.499	0.482

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 98: Change in Unit Value of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.11*** (0.00)	0.11*** (0.00)	0.11*** (0.00)
Unit Value of Continuing Markets	0.69*** (0.00)	0.68*** (0.00)	0.68*** (0.00)
Constant	-0.03*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.476	0.512	0.512
Within R^2		0.463	0.463

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 99: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.00* (0.00)	0.18*** (0.00)	0.01*** (0.00)
Mean Quantity of Continuing Markets	0.70*** (0.00)	0.71*** (0.00)	0.69*** (0.00)
Constant	-0.01*** (0.00)		
Observations	1,665,453	1,244,580	1,637,394
Fixed Effects	No	F-P + T	P-T + F
R^2	0.583	0.701	0.609
Within R^2		0.581	0.568

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 100: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.06*** (0.00)	0.10*** (0.00)	0.10*** (0.00)
Mean Quantity of Continuing Markets	0.72*** (0.00)	0.70*** (0.00)	0.70*** (0.00)
Constant	-0.03*** (0.00)		
Observations	760,560	731,199	731,199
Fixed Effects	No	F-P + T	P-T + F
R^2	0.559	0.597	0.597
Within R^2		0.533	0.533

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

A Estimation results based on firm-product level trade patterns. The estimation sample is constructed based on all destinations including those countries with missing exchange rate and CPI series.

A.1 Key Statistics

Table 101: All Sectors - All Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	2.90	1.00	1.00	1.00	3.00	23.00	6,444,617
Number of Market Changes/ Number of Markets	0.98	0.70	0.00	0.00	1.50	5.00	3,894,362
Market Changes/ Markets (trade weighted)	1784.68	0.44	0.00	0.00	3.93	4139.66	3,890,295
Market Drop/ Market Changes	0.47	0.50	0.00	0.22	0.67	1.00	2,652,112
Market Drop/ Market Changes (trade weighted)	0.46	0.42	0.00	0.03	0.90	1.00	2,652,112
Firm Level Switching Rate	0.27	0.27	0.00	0.05	0.43	0.70	6,444,617

Table 102: All Sectors - Large Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	5.00	2.00	1.00	1.00	6.00	34.00	1,859,223
Number of Market Changes/ Number of Markets	0.87	0.67	0.00	0.00	1.00	5.00	1,366,398
Market Changes/ Markets (trade weighted)	2901.70	0.30	0.00	0.00	2.30	4547.69	1,366,051
Market Drop/ Market Changes	0.45	0.50	0.00	0.14	0.68	1.00	1,022,531
Market Drop/ Market Changes (trade weighted)	0.44	0.35	0.00	0.01	0.89	1.00	1,022,531
Firm Level Switching Rate	0.34	0.36	0.00	0.06	0.56	0.83	1,859,223

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 8-digit HS level across all years (2000-2006).

Table 103: All Sectors - All Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.95	2.00	1.00	1.00	5.00	39.00	2,033,556
Number of Market Changes/ Number of Markets	0.92	0.67	0.00	0.00	1.00	6.00	1,317,304
Market Changes/ Markets (trade weighted)	2004.65	0.24	0.00	0.00	1.74	1036.42	1,316,311
Market Drop/ Market Changes	0.45	0.50	0.00	0.17	0.68	1.00	958,212
Market Drop/ Market Changes (trade weighted)	0.44	0.37	0.00	0.02	0.88	1.00	958,211
Firm Level Switching Rate	0.30	0.25	0.00	0.00	0.50	0.86	2,033,556

Table 104: All Sectors - Large Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	11.56	7.00	1.00	2.00	16.00	60.00	357,069
Number of Market Changes/ Number of Markets	0.78	0.60	0.00	0.36	0.89	5.00	284,311
Market Changes/ Markets (trade weighted)	8023.81	0.15	0.00	0.02	0.71	270.94	284,271
Market Drop/ Market Changes	0.43	0.42	0.00	0.17	0.67	1.00	244,442
Market Drop/ Market Changes (trade weighted)	0.42	0.33	0.00	0.04	0.78	1.00	244,441
Firm Level Switching Rate	0.49	0.57	0.00	0.20	0.80	0.86	357,069

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 2-digit HS level across all years (2000-2006).

A.1.1 By Product and Firm Types**(a) 8-digit Results**

Table 105: By Firm Types
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	2.88	2.00	1.00	1.00	3.00	21.00	1,757,423
Number of Market Changes/ Number of Markets	1.05	0.80	0.00	0.00	1.50	6.00	859,079
Market Changes/ Markets (trade weighted)	390.47	0.51	0.00	0.00	3.45	2014.78	858,556
Market Drop/ Market Changes	0.45	0.50	0.00	0.20	0.67	1.00	592,788
Market Drop/ Market Changes (trade weighted)	0.43	0.36	0.00	0.03	0.84	1.00	592,788
Firm Level Switching Rate	0.23	0.21	0.00	0.00	0.40	0.67	1,757,423
Foreign Invested Enterprises							
Number of Destination Markets	2.97	1.00	1.00	1.00	3.00	25.00	1,455,589
Number of Market Changes/ Number of Markets	0.64	0.40	0.00	0.00	1.00	4.00	959,474
Market Changes/ Markets (trade weighted)	1714.01	0.03	0.00	0.00	1.68	2426.00	957,531
Market Drop/ Market Changes	0.45	0.50	0.00	0.00	0.69	1.00	534,170
Market Drop/ Market Changes (trade weighted)	0.44	0.34	0.00	0.00	0.93	1.00	534,170
Firm Level Switching Rate	0.20	0.13	0.00	0.00	0.35	0.75	1,455,589
State-owned Enterprises							
Number of Destination Markets	2.83	1.00	1.00	1.00	3.00	22.00	2,795,198
Number of Market Changes/ Number of Markets	1.11	1.00	0.00	0.00	2.00	5.00	1,810,690
Market Changes/ Markets (trade weighted)	2658.59	0.78	0.00	0.00	5.51	7007.00	1,809,246
Market Drop/ Market Changes	0.49	0.50	0.00	0.29	0.67	1.00	1,331,345
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.06	0.92	1.00	1,331,345
Firm Level Switching Rate	0.32	0.33	0.00	0.19	0.47	0.69	2,795,198

Table 106: By the Form of Commerce
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	2.83	1.00	1.00	1.00	3.00	21.00	5,363,334
Number of Market Changes/ Number of Markets	1.06	0.83	0.00	0.00	1.67	5.00	3,171,749
Market Changes/ Markets (trade weighted)	783.96	0.64	0.00	0.00	4.64	4117.50	3,168,769
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,263,113
Market Drop/ Market Changes (trade weighted)	0.47	0.42	0.00	0.04	0.90	1.00	2,263,113
Firm Level Switching Rate	0.28	0.29	0.00	0.09	0.44	0.70	5,363,334
Mixture							
Number of Destination Markets	3.20	1.00	1.00	1.00	3.00	30.00	199,170
Number of Market Changes/ Number of Markets	0.45	0.00	0.00	0.00	0.67	3.00	149,300
Market Changes/ Markets (trade weighted)	424.94	0.00	0.00	0.00	0.44	117.84	149,272
Market Drop/ Market Changes	0.48	0.50	0.00	0.00	1.00	1.00	71,200
Market Drop/ Market Changes (trade weighted)	0.45	0.33	0.00	0.00	1.00	1.00	71,200
Firm Level Switching Rate	0.17	0.09	0.00	0.00	0.30	0.71	199,170
Processing Trade							
Number of Destination Markets	3.26	1.00	1.00	1.00	3.00	29.00	882,113
Number of Market Changes/ Number of Markets	0.66	0.40	0.00	0.00	1.00	4.00	573,313
Market Changes/ Markets (trade weighted)	7680.69	0.03	0.00	0.00	1.52	6827.24	572,254
Market Drop/ Market Changes	0.46	0.50	0.00	0.08	0.75	1.00	317,799
Market Drop/ Market Changes (trade weighted)	0.45	0.38	0.00	0.00	0.94	1.00	317,799
Firm Level Switching Rate	0.21	0.15	0.00	0.00	0.38	0.71	882,113

Table 107: By Rauch Classification
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Differentiated Products							
Number of Destination Markets	2.96	1.00	1.00	1.00	3.00	23.00	4,864,321
Number of Market Changes/ Number of Markets	1.01	0.75	0.00	0.00	1.50	5.00	2,941,998
Market Changes/ Markets (trade weighted)	2106.95	0.53	0.00	0.00	4.44	5693.40	2,939,245
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,043,165
Market Drop/ Market Changes (trade weighted)	0.46	0.42	0.00	0.04	0.90	1.00	2,043,165
Firm Level Switching Rate	0.27	0.29	0.00	0.06	0.44	0.70	4,864,321
Organized Exchange							
Number of Destination Markets	2.24	1.00	1.00	1.00	2.00	15.00	67,744
Number of Market Changes/ Number of Markets	0.67	0.41	0.00	0.00	1.00	4.00	43,147
Market Changes/ Markets (trade weighted)	243.49	0.03	0.00	0.00	0.73	257.98	43,138
Market Drop/ Market Changes	0.49	0.50	0.00	0.11	0.80	1.00	23,635
Market Drop/ Market Changes (trade weighted)	0.49	0.48	0.00	0.00	0.99	1.00	23,635
Firm Level Switching Rate	0.18	0.14	0.00	0.00	0.33	0.69	67,744
Reference Priced							
Number of Destination Markets	2.40	1.00	1.00	1.00	2.00	18.00	612,283
Number of Market Changes/ Number of Markets	0.80	0.50	0.00	0.00	1.20	4.00	380,726
Market Changes/ Markets (trade weighted)	209.82	0.13	0.00	0.00	2.48	1061.11	380,132
Market Drop/ Market Changes	0.47	0.50	0.00	0.20	0.67	1.00	230,929
Market Drop/ Market Changes (trade weighted)	0.47	0.42	0.00	0.01	0.94	1.00	230,929
Firm Level Switching Rate	0.23	0.22	0.00	0.00	0.38	0.67	612,283

Table 108: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Market	Changes /	Market	Drops /	Firm Level	Obs.
	Markets		Market	Market	Switching	
			Changes	Changes	Rate	
		Trade				
		Weighted		Trade		
				Weighted		
1-5 Live animals; animal products	0.00	0.00	0.50	0.51	0.06	46,674
6-14 Vegetable products	0.00	0.00	0.50	0.45	0.06	143,855
15 Animal/vegetable fats	0.00	0.00	0.50	0.44	0.00	2,809
16-24 Prepared foodstuffs	0.00	0.00	0.50	0.41	0.03	90,557
25-27 Mineral products	0.21	0.00	0.50	0.46	0.08	36,347
28-38 Products of chemical and allied industries	0.64	0.41	0.50	0.44	0.25	413,418
39-40 Plastics/rubber articles	0.86	0.68	0.50	0.41	0.32	434,031
41-43 Rawhides/leather articles, furs	1.00	0.57	0.50	0.45	0.33	186,825
44-46 Wood and articles of wood	0.67	0.29	0.50	0.44	0.23	133,502
47-49 Pulp of wood/other fibrous cellulosic material	0.83	0.50	0.50	0.38	0.29	166,141
50-63 Textile and textile articles	0.67	0.51	0.50	0.42	0.25	1,695,906
64-67 Footwear, headgear, etc.	0.90	0.51	0.50	0.45	0.33	210,107
68-70 Misc. manufactured articles	0.80	0.28	0.50	0.42	0.28	246,331
71 Precious or semiprec. stones	0.83	0.58	0.50	0.40	0.22	26,790
72-83 Base metals and articles of base metals	0.75	0.51	0.50	0.40	0.29	702,841
84-85 Machinery and mechanical appliances, etc.	0.67	0.69	0.50	0.39	0.29	1,005,104
86-89 Vehicles, aircraft, etc.	0.75	0.99	0.50	0.37	0.30	127,923
90-92 Optical, photographic, etc.	0.71	0.36	0.50	0.42	0.29	193,278
93 Arms and ammunition	1.00	2.53	0.50	0.44	0.45	749
94-96 Articles of stone, plaster, etc.	0.91	0.46	0.50	0.44	0.33	575,118
97+ Others	0.51	0.54	0.50	0.47	0.08	7,660

(b) 2-digit Results

Table 109: By Firm Types
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	4.64	2.00	1.00	1.00	5.00	35.00	654,168
Number of Market Changes/ Number of Markets	1.05	0.75	0.00	0.00	1.25	7.00	349,394
Market Changes/ Markets (trade weighted)	259.66	0.35	0.00	0.00	1.93	720.90	349,297
Market Drop/ Market Changes	0.42	0.40	0.00	0.11	0.67	1.00	258,665
Market Drop/ Market Changes (trade weighted)	0.41	0.29	0.00	0.01	0.80	1.00	258,665
Firm Level Switching Rate	0.26	0.00	0.00	0.00	0.50	0.83	654,168
Foreign Invested Enterprises							
Number of Destination Markets	4.28	2.00	1.00	1.00	4.00	34.00	616,178
Number of Market Changes/ Number of Markets	0.64	0.50	0.00	0.00	0.92	4.00	436,475
Market Changes/ Markets (trade weighted)	1347.80	0.06	0.00	0.00	1.02	1025.25	435,847
Market Drop/ Market Changes	0.44	0.44	0.00	0.00	0.69	1.00	279,256
Market Drop/ Market Changes (trade weighted)	0.42	0.30	0.00	0.00	0.91	1.00	279,256
Firm Level Switching Rate	0.25	0.14	0.00	0.00	0.50	0.86	616,178
State-owned Enterprises							
Number of Destination Markets	5.78	2.00	1.00	1.00	6.00	45.00	632,064
Number of Market Changes/ Number of Markets	1.09	0.79	0.00	0.38	1.33	7.00	449,110
Market Changes/ Markets (trade weighted)	4226.85	0.38	0.00	0.02	2.27	1423.45	448,894
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.75	1.00	356,845
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.07	0.92	1.00	356,844
Firm Level Switching Rate	0.39	0.43	0.00	0.00	0.67	0.86	632,064

Table 110: By the Form of Commerce
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	4.96	2.00	1.00	1.00	5.00	38.00	1,688,299
Number of Market Changes/ Number of Markets	1.00	0.71	0.00	0.20	1.20	6.33	1,070,440
Market Changes/ Markets (trade weighted)	380.51	0.33	0.00	0.00	2.05	1060.77	1,069,734
Market Drop/ Market Changes	0.46	0.50	0.00	0.17	0.67	1.00	808,677
Market Drop/ Market Changes (trade weighted)	0.45	0.37	0.00	0.03	0.88	1.00	808,676
Firm Level Switching Rate	0.31	0.33	0.00	0.00	0.57	0.86	1,688,299
Mixture							
Number of Destination Markets	5.13	2.00	1.00	1.00	5.00	41.00	64,811
Number of Market Changes/ Number of Markets	0.48	0.35	0.00	0.00	0.70	3.00	50,472
Market Changes/ Markets (trade weighted)	294.61	0.02	0.00	0.00	0.31	76.60	50,461
Market Drop/ Market Changes	0.45	0.44	0.00	0.00	0.80	1.00	30,129
Market Drop/ Market Changes (trade weighted)	0.43	0.30	0.00	0.00	0.96	1.00	30,129
Firm Level Switching Rate	0.23	0.00	0.00	0.00	0.50	0.86	64,811
Processing Trade							
Number of Destination Markets	4.84	2.00	1.00	1.00	5.00	41.00	280,446
Number of Market Changes/ Number of Markets	0.62	0.43	0.00	0.00	0.83	4.00	196,392
Market Changes/ Markets (trade weighted)	11303.67	0.03	0.00	0.00	0.67	1386.31	196,116
Market Drop/ Market Changes	0.45	0.50	0.00	0.00	0.75	1.00	119,406
Market Drop/ Market Changes (trade weighted)	0.44	0.34	0.00	0.00	0.93	1.00	119,406
Firm Level Switching Rate	0.24	0.00	0.00	0.00	0.50	0.86	280,446

Table 111: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Market	Changes /	Market Drops /		Firm Level	
	Markets		Market Changes		Switching	Obs.
		Trade		Trade	Rate	
		Weighted		Weighted		
1-5 Live animals; animal products	0.40	0.03	0.50	0.49	0.00	20,807
6-14 Vegetable products	0.33	0.01	0.50	0.44	0.00	67,079
15 Animal/vegetable fats	0.33	0.04	0.50	0.44	0.00	2,302
16-24 Prepared foodstuffs	0.25	0.00	0.50	0.37	0.00	51,767
25-27 Mineral products	0.45	0.00	0.50	0.44	0.00	21,617
28-38 Products of chemical and allied industries	0.62	0.26	0.50	0.39	0.25	146,275
39-40 Plastics/rubber articles	0.67	0.37	0.50	0.35	0.33	153,920
41-43 Rawhides/leather articles, furs	0.75	0.33	0.50	0.42	0.33	75,491
44-46 Wood and articles of wood	0.67	0.24	0.50	0.41	0.25	62,147
47-49 Pulp of wood/other fibrous cellulosic material	0.75	0.36	0.50	0.34	0.25	75,932
50-63 Textile and textile articles	0.67	0.27	0.50	0.37	0.25	353,130
64-67 Footwear, headgear, etc.	0.80	0.32	0.50	0.43	0.33	97,680
68-70 Misc. manufactured articles	0.75	0.18	0.50	0.38	0.33	110,541
71 Precious or semiprec. stones	0.80	0.43	0.50	0.37	0.17	16,984
72-83 Base metals and articles of base metals	0.67	0.29	0.50	0.35	0.25	248,422
84-85 Machinery and mechanical appliances, etc.	0.59	0.32	0.40	0.29	0.29	231,758
86-89 Vehicles, aircraft, etc.	0.67	0.54	0.43	0.32	0.33	46,603
90-92 Optical, photographic, etc.	0.67	0.24	0.50	0.37	0.33	66,768
93 Arms and ammunition	0.88	1.78	0.50	0.43	0.33	474
94-96 Articles of stone, plaster, etc.	0.75	0.22	0.50	0.41	0.33	178,790
97+ Others	0.50	0.28	0.50	0.44	0.00	5,069

A.2 Regression Results

Table 112: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.09*** (0.00)	0.08*** (0.00)	0.08*** (0.00)
Constant	0.02*** (0.00)		
Observations	2,646,919	1,919,936	2,618,628
Fixed Effects	No	F-P + T	P-T + F
R^2	0.00101	0.208	0.0487
Within R^2		0.00104	0.000812

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 113: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.16*** (0.00)	0.15*** (0.00)	0.15*** (0.00)
Constant	-0.02*** (0.00)		
Observations	957,050	926,232	926,232
Fixed Effects	No	F-P + T	P-T + F
R^2	0.00337	0.0763	0.0763
Within R^2		0.00249	0.00249

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 114: Change in the Average Quantity (across markets) to Drop-Change Ratio 8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.75*** (0.00)	-0.53*** (0.00)	-0.66*** (0.00)
Constant	0.37*** (0.00)		
Observations	2,646,920	1,919,936	2,618,629
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0183	0.234	0.0735
Within R^2		0.0108	0.0130

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 115: Change in the Average Quantity (across markets) to Drop-Change Ratio 2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.77*** (0.00)	-0.58*** (0.01)	-0.58*** (0.01)
Constant	0.40*** (0.00)		
Observations	957,050	926,232	926,232
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0244	0.119	0.119
Within R^2		0.0127	0.0127

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 116: Change in the Total Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.76*** (0.00)	-2.55*** (0.00)	-2.64*** (0.00)
Constant	1.38*** (0.00)		
Observations	2,646,920	1,919,936	2,618,629
Fixed Effects	No	F-P + T	P-T + F
R^2	0.185	0.385	0.234
Within R^2		0.183	0.163

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 117: Change in the Total Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.77*** (0.01)	-2.54*** (0.01)	-2.54*** (0.01)
Constant	1.42*** (0.00)		
Observations	957,050	926,232	926,232
Fixed Effects	No	F-P + T	P-T + F
R^2	0.222	0.305	0.305
Within R^2		0.179	0.179

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 118: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.01*** (0.00)	0.01*** (0.00)	0.01*** (0.00)
Constant	0.03*** (0.00)		
Observations	1,776,297	1,326,377	1,747,784
Fixed Effects	No	F-P + T	P-T + F
R^2	3.99e-05	0.287	0.0670
Within R^2		3.51e-05	2.36e-05

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 119: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.04*** (0.00)	0.03*** (0.00)	0.03*** (0.00)
Constant	0.01*** (0.00)		
Observations	803,397	773,381	773,381
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000372	0.0939	0.0939
Within R^2		0.000180	0.000180

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 120: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.81*** (0.00)	-0.66*** (0.00)	-0.68*** (0.00)
Constant	0.43*** (0.00)		
Observations	1,776,297	1,326,377	1,747,784
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0411	0.322	0.122
Within R^2		0.0290	0.0273

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 121: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.95*** (0.00)	-0.74*** (0.01)	-0.74*** (0.01)
Constant	0.52*** (0.00)		
Observations	803,397	773,381	773,381
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0548	0.172	0.172
Within R^2		0.0309	0.0309

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 122: Change in Unit Value of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.06*** (0.00)	0.06*** (0.00)	0.06*** (0.00)
Unit Value of Continuing Markets	0.71*** (0.00)	0.73*** (0.00)	0.70*** (0.00)
Constant	-0.01*** (0.00)		
Observations	1,776,297	1,326,377	1,747,784
Fixed Effects	No	F-P + T	P-T + F
R^2	0.486	0.621	0.511
Within R^2		0.492	0.475

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 123: Change in Unit Value of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.11*** (0.00)	0.11*** (0.00)	0.11*** (0.00)
Unit Value of Continuing Markets	0.68*** (0.00)	0.68*** (0.00)	0.68*** (0.00)
Constant	-0.03*** (0.00)		
Observations	803,397	773,381	773,381
Fixed Effects	No	F-P + T	P-T + F
R^2	0.468	0.505	0.505
Within R^2		0.455	0.455

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 124: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.00** (0.00)	0.18*** (0.00)	0.01*** (0.00)
Mean Quantity of Continuing Markets	0.70*** (0.00)	0.71*** (0.00)	0.69*** (0.00)
Constant	-0.01*** (0.00)		
Observations	1,776,297	1,326,377	1,747,784
Fixed Effects	No	F-P + T	P-T + F
R^2	0.577	0.696	0.602
Within R^2		0.575	0.561

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 125: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.06*** (0.00)	0.10*** (0.00)	0.10*** (0.00)
Mean Quantity of Continuing Markets	0.71*** (0.00)	0.70*** (0.00)	0.70*** (0.00)
Constant	-0.03*** (0.00)		
Observations	803,397	773,381	773,381
Fixed Effects	No	F-P + T	P-T + F
R^2	0.551	0.589	0.589
Within R^2		0.524	0.524

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

B This sample aggregates product level trade transactions and study how market adjustments at the firm level. For each time period, the trade pattern is calculated for each firm across all products it exports. The estimation sample is constructed based on all destinations including those countries with missing exchange rate and CPI series.

B.1 Key Statistics

Table 126: All Sectors - All Firms
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Number of Destination Markets	8.26	3.00	1.00	1.00	10.00	62.00	649,975
Number of Market Changes/ Number of Markets	0.82	0.60	0.00	0.29	1.00	5.50	455,136
Market Changes/ Markets (trade weighted)	2154.55	0.18	0.00	0.01	1.21	1376.92	455,002
Market Drop/ Market Changes	0.43	0.40	0.00	0.11	0.67	1.00	360,262
Market Drop/ Market Changes (trade weighted)	0.41	0.30	0.00	0.01	0.82	1.00	360,262
Firm Level Switching Rate	0.35	0.33	0.00	0.00	0.67	0.86	649,975

Table 127: All Sectors - Large Firms
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Number of Destination Markets	17.48	11.00	1.00	4.00	25.00	88.00	153,523
Number of Market Changes/ Number of Markets	0.72	0.52	0.00	0.33	0.76	4.70	124,553
Market Changes/ Markets (trade weighted)	5911.21	0.11	0.00	0.02	0.50	240.90	124,551
Market Drop/ Market Changes	0.42	0.40	0.00	0.18	0.63	1.00	110,871
Market Drop/ Market Changes (trade weighted)	0.40	0.31	0.00	0.04	0.73	1.00	110,871
Firm Level Switching Rate	0.54	0.67	0.00	0.33	0.83	0.86	153,523

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured across all years (2000-2006).

Table 128: By Firm Types
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	8.64	4.00	1.00	2.00	11.00	56.00	192,364
Number of Market Changes/ Number of Markets	1.00	0.72	0.00	0.50	1.00	7.00	114,531
Market Changes/ Markets (trade weighted)	458.37	0.38	0.00	0.05	1.80	1203.04	114,513
Market Drop/ Market Changes	0.38	0.33	0.00	0.06	0.60	1.00	98,754
Market Drop/ Market Changes (trade weighted)	0.35	0.21	0.00	0.00	0.67	1.00	98,754
Firm Level Switching Rate	0.34	0.33	0.00	0.00	0.60	0.86	192,364
Foreign Invested Enterprises							
Number of Destination Markets	5.89	3.00	1.00	1.00	7.00	40.00	336,444
Number of Market Changes/ Number of Markets	0.64	0.50	0.00	0.00	0.84	4.00	251,230
Market Changes/ Markets (trade weighted)	1534.69	0.08	0.00	0.00	0.83	957.89	251,151
Market Drop/ Market Changes	0.43	0.40	0.00	0.00	0.67	1.00	181,331
Market Drop/ Market Changes (trade weighted)	0.41	0.28	0.00	0.00	0.86	1.00	181,331
Firm Level Switching Rate	0.30	0.25	0.00	0.00	0.57	0.86	336,444
State-owned Enterprises							
Number of Destination Markets	16.23	7.00	1.00	2.00	22.00	92.00	81,395
Number of Market Changes/ Number of Markets	1.20	0.69	0.00	0.44	1.00	11.00	61,466
Market Changes/ Markets (trade weighted)	7943.27	0.26	0.00	0.05	1.61	6273.17	61,455
Market Drop/ Market Changes	0.50	0.50	0.00	0.28	0.74	1.00	55,890
Market Drop/ Market Changes (trade weighted)	0.50	0.48	0.00	0.12	0.88	1.00	55,890
Firm Level Switching Rate	0.53	0.60	0.00	0.33	0.80	0.86	81,395

Table 129: By the Form of Commerce
Trade patterns are calculated at the firm-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1th	25th	75th	99th	
General Trade							
Number of Destination Markets	8.90	4.00	1.00	2.00	10.00	65.00	457,070
Number of Market Changes/ Number of Markets	0.92	0.67	0.00	0.38	1.00	6.00	310,063
Market Changes/ Markets (trade weighted)	826.62	0.27	0.00	0.03	1.55	1751.33	309,988
Market Drop/ Market Changes	0.42	0.40	0.00	0.12	0.67	1.00	259,863
Market Drop/ Market Changes (trade weighted)	0.40	0.29	0.00	0.01	0.79	1.00	259,863
Firm Level Switching Rate	0.37	0.40	0.00	0.00	0.67	0.86	457,070
Mixture							
Number of Destination Markets	6.91	2.00	1.00	1.00	7.00	63.00	71,293
Number of Market Changes/ Number of Markets	0.51	0.40	0.00	0.00	0.70	3.00	56,596
Market Changes/ Markets (trade weighted)	146.54	0.02	0.00	0.00	0.32	75.00	56,594
Market Drop/ Market Changes	0.46	0.44	0.00	0.00	0.77	1.00	36,192
Market Drop/ Market Changes (trade weighted)	0.43	0.31	0.00	0.00	0.95	1.00	36,192
Firm Level Switching Rate	0.27	0.14	0.00	0.00	0.50	0.86	71,293
Processing Trade							
Number of Destination Markets	6.65	3.00	1.00	1.00	8.00	47.00	121,612
Number of Market Changes/ Number of Markets	0.70	0.50	0.00	0.00	0.86	4.75	88,477
Market Changes/ Markets (trade weighted)	8095.36	0.08	0.00	0.00	0.85	2046.78	88,420
Market Drop/ Market Changes	0.44	0.43	0.00	0.05	0.69	1.00	64,207
Market Drop/ Market Changes (trade weighted)	0.42	0.31	0.00	0.00	0.88	1.00	64,207
Firm Level Switching Rate	0.31	0.29	0.00	0.00	0.57	0.86	121,612

B.2 Regression Results

Table 130: Change in Unit Value to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Unit Value	(2) Unit Value
Market Drop/ Market Changes	0.20*** (0.00)	0.16*** (0.01)
Constant	-0.04*** (0.00)	
Observations	360,096	314,537
FE	No	F-P + T
R^2	0.00446	0.212
Within R^2		0.00308

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 131: Change in the Average Quantity (across markets) to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity
Market Drop/ Market Changes	-0.51*** (0.01)	-0.06*** (0.01)
Constant	0.33*** (0.00)	
Observations	360,096	314,537
FE	No	F + T
R^2	0.0133	0.258
Within R^2		0.000172

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 132: Change in the Total Quantity (across markets) to Drop-Change Ratio
Trade patterns are calculated at the firm-year level

VARIABLES	(1)	(2)
	Total Quantity	Total Quantity
Market Drop/ Market Changes	-2.37*** (0.01)	-1.82*** (0.01)
Constant	1.28*** (0.00)	
Observations	360,096	314,537
FE	No	F + T
R^2	0.199	0.404
Within R^2		0.135

Note: Variables are constructed based on year-to-year changes at the firm level. All variables other than ratio measures are entered in logs. Firm and year fixed effects are added for the specification of column (2). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

C Estimates based on deviations from the common trade pattern calculated at the product-time level. The estimation sample is constructed based on all destinations including those countries with missing exchange rate and CPI series.

C.1 Key Statistics

Table 133: All Sectors - All Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	2.90	1.00	1.00	1.00	3.00	23.00	6,444,617
Number of Destinations in the Common Trade Pattern	1.01	1.00	1.00	1.00	1.00	1.00	6,444,617
Deviation from the Common TP in Each Period	1.30	1.50	0.00	0.80	2.00	2.00	6,444,617
Number of Market Changes/ Number of Markets	1.17	1.00	0.00	0.00	2.00	6.00	3,894,362
Market Changes/ Markets (trade weighted)	1548.19	0.45	0.00	0.00	3.75	4052.80	3,890,295
Market Drop/ Market Changes	0.47	0.50	0.00	0.27	0.67	1.00	2,841,062
Market Drop/ Market Changes (trade weighted)	0.46	0.40	0.00	0.01	0.93	1.00	2,675,385
Firm Level Switching Rate	0.31	0.33	0.00	0.14	0.49	0.72	6,444,617

Table 134: All Sectors - Large Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	5.00	2.00	1.00	1.00	6.00	34.00	1,859,223
Number of Destinations in the Common Trade Pattern	1.39	1.00	1.00	1.00	1.00	12.00	1,859,223
Deviation from the Common TP in Each Period	1.14	1.09	0.00	0.67	1.50	3.00	1,859,223
Number of Market Changes/ Number of Markets	1.14	0.80	0.00	0.33	1.40	7.50	1,366,398
Market Changes/ Markets (trade weighted)	2797.90	0.37	0.00	0.00	2.55	4794.50	1,366,051
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	1,079,937
Market Drop/ Market Changes (trade weighted)	0.44	0.35	0.00	0.00	0.92	1.00	1,034,476
Firm Level Switching Rate	0.41	0.46	0.00	0.20	0.62	0.85	1,859,223

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 8-digit HS level across all years (2000-2006).

Table 135: All Sectors - All Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	4.95	2.00	1.00	1.00	5.00	39.00	2,033,556
Number of Destinations in the Common Trade Pattern	1.00	1.00	1.00	1.00	1.00	1.00	2,033,556
Deviation from the Common TP in Each Period	1.25	1.25	0.00	0.88	2.00	2.00	2,033,556
Number of Market Changes/ Number of Markets	1.04	0.75	0.00	0.25	1.33	6.00	1,317,304
Market Changes/ Markets (trade weighted)	1990.99	0.26	0.00	0.00	1.81	969.88	1,316,311
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	1,001,481
Market Drop/ Market Changes (trade weighted)	0.44	0.36	0.00	0.01	0.90	1.00	961,679
Firm Level Switching Rate	0.34	0.33	0.00	0.00	0.60	0.86	2,033,556

Table 136: All Sectors - Large Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Number of Destination Markets	11.56	7.00	1.00	2.00	16.00	60.00	357,069
Number of Destinations in the Common Trade Pattern	1.03	1.00	1.00	1.00	1.00	2.00	357,069
Deviation from the Common TP in Each Period	1.02	0.97	0.00	0.88	1.17	2.00	357,069
Number of Market Changes/ Number of Markets	0.83	0.63	0.00	0.39	0.96	5.00	284,311
Market Changes/ Markets (trade weighted)	8553.13	0.16	0.00	0.02	0.77	252.87	284,271
Market Drop/ Market Changes	0.44	0.43	0.00	0.20	0.67	1.00	247,701
Market Drop/ Market Changes (trade weighted)	0.42	0.33	0.00	0.03	0.78	1.00	244,522
Firm Level Switching Rate	0.51	0.60	0.00	0.29	0.80	0.86	357,069

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 2-digit HS level across all years (2000-2006).

C.1.1 By Product and Firm Types

(a) 8-digit Results

Table 137: By Firm Types
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	2.88	2.00	1.00	1.00	3.00	21.00	1,757,423
Number of Market Changes/ Number of Markets	1.23	1.00	0.00	0.00	2.00	6.00	859,079
Market Changes/ Markets (trade weighted)	375.44	0.50	0.00	0.00	3.28	2041.71	858,556
Market Drop/ Market Changes	0.45	0.50	0.00	0.25	0.63	1.00	634,494
Market Drop/ Market Changes (trade weighted)	0.44	0.35	0.00	0.01	0.87	1.00	598,966
Firm Level Switching Rate	0.26	0.27	0.00	0.01	0.43	0.69	1,757,423
Foreign Invested Enterprises							
Number of Destination Markets	2.97	1.00	1.00	1.00	3.00	25.00	1,455,589
Number of Market Changes/ Number of Markets	0.80	0.50	0.00	0.00	1.00	5.00	959,474
Market Changes/ Markets (trade weighted)	1683.00	0.04	0.00	0.00	1.83	2416.33	957,531
Market Drop/ Market Changes	0.45	0.50	0.00	0.17	0.67	1.00	578,064
Market Drop/ Market Changes (trade weighted)	0.44	0.32	0.00	0.00	0.96	1.00	541,487
Firm Level Switching Rate	0.25	0.21	0.00	0.02	0.42	0.75	1,455,589
State-owned Enterprises							
Number of Destination Markets	2.83	1.00	1.00	1.00	3.00	22.00	2,795,198
Number of Market Changes/ Number of Markets	1.33	1.00	0.00	0.50	2.00	6.00	1,810,690
Market Changes/ Markets (trade weighted)	2175.15	0.76	0.00	0.00	5.07	6730.50	1,809,246
Market Drop/ Market Changes	0.49	0.50	0.00	0.33	0.67	1.00	1,423,249
Market Drop/ Market Changes (trade weighted)	0.49	0.46	0.00	0.03	0.95	1.00	1,340,026
Firm Level Switching Rate	0.38	0.40	0.00	0.26	0.50	0.71	2,795,198

Table 138: By the Form of Commerce
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	2.83	1.00	1.00	1.00	3.00	21.00	5,362,993
Number of Market Changes/ Number of Markets	1.26	1.00	0.00	0.33	2.00	6.00	3,171,657
Market Changes/ Markets (trade weighted)	680.26	0.62	0.00	0.00	4.33	3955.50	3,168,680
Market Drop/ Market Changes	0.47	0.50	0.00	0.29	0.67	1.00	2,413,464
Market Drop/ Market Changes (trade weighted)	0.46	0.41	0.00	0.01	0.93	1.00	2,279,133
Firm Level Switching Rate	0.33	0.35	0.00	0.17	0.50	0.72	5,362,993
Mixture							
Number of Destination Markets	3.20	1.00	1.00	1.00	3.00	30.00	198,834
Number of Market Changes/ Number of Markets	0.57	0.25	0.00	0.00	1.00	4.00	149,022
Market Changes/ Markets (trade weighted)	360.06	0.00	0.00	0.00	0.57	190.17	148,992
Market Drop/ Market Changes	0.48	0.50	0.00	0.13	0.78	1.00	77,162
Market Drop/ Market Changes (trade weighted)	0.46	0.34	0.00	0.00	1.00	1.00	72,182
Firm Level Switching Rate	0.22	0.17	0.00	0.02	0.36	0.74	198,834
Processing Trade							
Number of Destination Markets	3.26	1.00	1.00	1.00	3.00	29.00	882,790
Number of Market Changes/ Number of Markets	0.84	0.50	0.00	0.00	1.21	5.00	573,683
Market Changes/ Markets (trade weighted)	6660.13	0.04	0.00	0.00	1.69	7218.04	572,623
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	350,436
Market Drop/ Market Changes (trade weighted)	0.45	0.36	0.00	0.00	0.97	1.00	324,070
Firm Level Switching Rate	0.26	0.24	0.00	0.06	0.44	0.75	882,790

Table 139: By Rauch Classification
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Differentiated Products							
Number of Destination Markets	2.96	1.00	1.00	1.00	3.00	23.00	4,864,321
Number of Market Changes/ Number of Markets	1.16	1.00	0.00	0.00	2.00	6.00	2,941,998
Market Changes/ Markets (trade weighted)	1856.11	0.52	0.00	0.00	4.17	5601.50	2,939,245
Market Drop/ Market Changes	0.47	0.50	0.00	0.25	0.67	1.00	2,153,423
Market Drop/ Market Changes (trade weighted)	0.46	0.40	0.00	0.01	0.93	1.00	2,048,809
Firm Level Switching Rate	0.31	0.33	0.00	0.14	0.48	0.72	4,864,321
Organized Exchange							
Number of Destination Markets	2.24	1.00	1.00	1.00	2.00	15.00	67,744
Number of Market Changes/ Number of Markets	1.07	0.75	0.00	0.00	2.00	5.00	43,147
Market Changes/ Markets (trade weighted)	56.18	0.07	0.00	0.00	0.96	224.67	43,138
Market Drop/ Market Changes	0.49	0.50	0.00	0.33	0.67	1.00	28,577
Market Drop/ Market Changes (trade weighted)	0.48	0.45	0.00	0.00	1.00	1.00	25,357
Firm Level Switching Rate	0.30	0.31	0.00	0.11	0.50	0.75	67,744
Reference Priced							
Number of Destination Markets	2.40	1.00	1.00	1.00	2.00	18.00	612,283
Number of Market Changes/ Number of Markets	1.20	1.00	0.00	0.00	2.00	5.00	380,726
Market Changes/ Markets (trade weighted)	192.24	0.20	0.00	0.00	2.72	965.18	380,132
Market Drop/ Market Changes	0.48	0.50	0.00	0.33	0.63	1.00	272,296
Market Drop/ Market Changes (trade weighted)	0.47	0.41	0.00	0.00	0.97	1.00	240,912
Firm Level Switching Rate	0.33	0.35	0.00	0.17	0.50	0.75	612,283

Table 140: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Market	Changes /	Market	Drops /	Firm Level	Obs.
	Markets		Market	Market	Switching	
			Changes	Changes	Rate	
		Trade		Trade		
		Weighted		Weighted		
1-5 Live animals; animal products	0.00	0.00	0.50	0.47	0.13	46,674
6-14 Vegetable products	0.50	0.00	0.50	0.43	0.19	143,855
15 Animal/vegetable fats	0.75	0.06	0.50	0.44	0.33	2,809
16-24 Prepared foodstuffs	0.45	0.00	0.50	0.39	0.17	90,557
25-27 Mineral products	0.60	0.00	0.50	0.44	0.25	36,347
28-38 Products of chemical and allied industries	1.00	0.59	0.50	0.43	0.42	413,418
39-40 Plastics/rubber articles	1.00	0.65	0.50	0.40	0.36	434,031
41-43 Rawhides/leather articles, furs	1.00	0.67	0.50	0.45	0.41	186,825
44-46 Wood and articles of wood	0.75	0.29	0.50	0.42	0.27	133,502
47-49 Pulp of wood/other fibrous cellulosic material	1.00	0.45	0.50	0.36	0.33	166,141
50-63 Textile and textile articles	0.83	0.49	0.50	0.40	0.29	1,695,906
64-67 Footwear, headgear, etc.	1.00	0.50	0.50	0.44	0.36	210,107
68-70 Misc. manufactured articles	1.00	0.28	0.50	0.41	0.33	246,331
71 Precious or semiprec. stones	0.96	0.49	0.50	0.38	0.25	26,790
72-83 Base metals and articles of base metals	0.90	0.48	0.50	0.39	0.33	702,841
84-85 Machinery and mechanical appliances, etc.	1.00	0.80	0.50	0.38	0.36	1,005,104
86-89 Vehicles, aircraft, etc.	1.00	1.02	0.50	0.36	0.37	127,923
90-92 Optical, photographic, etc.	1.00	0.39	0.50	0.41	0.36	193,278
93 Arms and ammunition	1.50	3.01	0.50	0.42	0.50	749
94-96 Articles of stone, plaster, etc.	1.00	0.39	0.50	0.42	0.35	575,118
97+ Others	0.67	0.33	0.50	0.45	0.20	7,660

(b) 2-digit Results

Table 141: By Firm Types
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
Private Enterprises							
Number of Destination Markets	4.64	2.00	1.00	1.00	5.00	35.00	654,168
Number of Market Changes/ Number of Markets	1.17	0.83	0.00	0.33	1.50	7.67	349,394
Market Changes/ Markets (trade weighted)	447.71	0.36	0.00	0.00	1.93	671.60	349,297
Market Drop/ Market Changes	0.43	0.45	0.00	0.17	0.67	1.00	270,021
Market Drop/ Market Changes (trade weighted)	0.41	0.29	0.00	0.00	0.82	1.00	259,162
Firm Level Switching Rate	0.29	0.33	0.00	0.00	0.50	0.83	654,168
Foreign Invested Enterprises							
Number of Destination Markets	4.28	2.00	1.00	1.00	4.00	34.00	616,178
Number of Market Changes/ Number of Markets	0.78	0.50	0.00	0.00	1.00	4.00	436,475
Market Changes/ Markets (trade weighted)	1319.20	0.09	0.00	0.00	1.34	1032.07	435,847
Market Drop/ Market Changes	0.44	0.50	0.00	0.16	0.67	1.00	300,681
Market Drop/ Market Changes (trade weighted)	0.43	0.30	0.00	0.00	0.93	1.00	284,549
Firm Level Switching Rate	0.31	0.29	0.00	0.00	0.57	0.86	616,178
State-owned Enterprises							
Number of Destination Markets	5.78	2.00	1.00	1.00	6.00	45.00	632,064
Number of Market Changes/ Number of Markets	1.18	0.85	0.00	0.46	1.50	7.00	449,110
Market Changes/ Markets (trade weighted)	4060.74	0.37	0.00	0.02	2.14	1269.98	448,894
Market Drop/ Market Changes	0.49	0.50	0.00	0.25	0.71	1.00	365,493
Market Drop/ Market Changes (trade weighted)	0.49	0.46	0.00	0.06	0.92	1.00	354,762
Firm Level Switching Rate	0.42	0.50	0.00	0.00	0.67	0.86	632,064

Table 142: By the Form of Commerce
 Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)				Obs.
			1st	25th	75th	99th	
General Trade							
Number of Destination Markets	4.96	2.00	1.00	1.00	5.00	38.00	1,688,605
Number of Market Changes/ Number of Markets	1.10	0.80	0.00	0.33	1.40	7.00	1,070,765
Market Changes/ Markets (trade weighted)	400.26	0.34	0.00	0.00	2.05	970.79	1,070,059
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	837,633
Market Drop/ Market Changes (trade weighted)	0.45	0.37	0.00	0.02	0.89	1.00	809,037
Firm Level Switching Rate	0.35	0.33	0.00	0.00	0.60	0.86	1,688,605
Mixture							
Number of Destination Markets	5.21	2.00	1.00	1.00	5.00	43.00	64,672
Number of Market Changes/ Number of Markets	0.61	0.50	0.00	0.00	0.90	3.33	50,334
Market Changes/ Markets (trade weighted)	428.21	0.02	0.00	0.00	0.47	110.63	50,323
Market Drop/ Market Changes	0.46	0.50	0.00	0.14	0.67	1.00	32,465
Market Drop/ Market Changes (trade weighted)	0.44	0.31	0.00	0.00	0.98	1.00	30,695
Firm Level Switching Rate	0.30	0.20	0.00	0.00	0.57	0.86	64,672
Processing Trade							
Number of Destination Markets	4.82	2.00	1.00	1.00	5.00	41.00	280,279
Number of Market Changes/ Number of Markets	0.80	0.50	0.00	0.00	1.00	5.00	196,205
Market Changes/ Markets (trade weighted)	11080.10	0.05	0.00	0.00	0.98	1431.81	195,929
Market Drop/ Market Changes	0.46	0.50	0.00	0.20	0.67	1.00	131,383
Market Drop/ Market Changes (trade weighted)	0.44	0.33	0.00	0.00	0.94	1.00	121,947
Firm Level Switching Rate	0.31	0.29	0.00	0.00	0.57	0.86	280,279

Table 143: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Market Markets	Changes / Trade Weighted	Market Market	Drops / Changes Trade Weighted	Firm Level Switching Rate	Obs.
1-5 Live animals; animal products	0.40	0.02	0.50	0.47	0.00	20,807
6-14 Vegetable products	0.40	0.01	0.50	0.42	0.00	67,079
15 Animal/vegetable fats	1.00	0.19	0.50	0.46	0.33	2,302
16-24 Prepared foodstuffs	0.33	0.00	0.50	0.36	0.00	51,767
25-27 Mineral products	0.50	0.00	0.50	0.42	0.14	21,617
28-38 Products of chemical and allied industries	0.67	0.26	0.50	0.38	0.33	146,275
39-40 Plastics/rubber articles	1.25	1.02	0.50	0.36	0.67	153,920
41-43 Rawhides/leather articles, furs	0.75	0.31	0.50	0.41	0.33	75,491
44-46 Wood and articles of wood	0.67	0.21	0.50	0.40	0.25	62,147
47-49 Pulp of wood/other fibrous cellulosic material	0.83	0.34	0.50	0.33	0.33	75,932
50-63 Textile and textile articles	0.73	0.26	0.50	0.36	0.33	353,130
64-67 Footwear, headgear, etc.	0.82	0.30	0.50	0.43	0.33	97,680
68-70 Misc. manufactured articles	0.82	0.19	0.50	0.38	0.33	110,541
71 Precious or semiprec. stones	0.80	0.35	0.50	0.36	0.17	16,984
72-83 Base metals and articles of base metals	0.67	0.25	0.50	0.34	0.25	248,422
84-85 Machinery and mechanical appliances, etc.	0.75	0.48	0.50	0.29	0.50	231,758
86-89 Vehicles, aircraft, etc.	0.67	0.46	0.43	0.31	0.33	46,603
90-92 Optical, photographic, etc.	0.75	0.28	0.50	0.37	0.40	66,768
93 Arms and ammunition	0.88	1.48	0.50	0.43	0.33	474
94-96 Articles of stone, plaster, etc.	0.75	0.19	0.50	0.41	0.33	178,790
97+ Others	0.50	0.13	0.50	0.43	0.00	5,069

C.2 Regression Results

Table 144: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.09*** (0.00)	0.08*** (0.00)	0.09*** (0.00)
Constant	0.01*** (0.00)		
Observations	2,835,161	2,032,649	2,805,612
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000948	0.210	0.0474
Within R^2		0.000980	0.000767

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 145: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.17*** (0.00)	0.15*** (0.00)	0.15*** (0.00)
Constant	-0.03*** (0.00)		
Observations	1,000,199	967,886	967,886
Fixed Effects	No	F-P + T	P-T + F
R^2	0.00325	0.0765	0.0765
Within R^2		0.00241	0.00241

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 146: Change in the Average Quantity (across markets) to Drop-Change Ratio 8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.79*** (0.00)	-0.54*** (0.00)	-0.68*** (0.00)
Constant	0.39*** (0.00)		
Observations	2,835,162	2,032,649	2,805,613
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0172	0.235	0.0719
Within R^2		0.00990	0.0123

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 147: Change in the Average Quantity (across markets) to Drop-Change Ratio 2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.80*** (0.01)	-0.59*** (0.01)	-0.59*** (0.01)
Constant	0.42*** (0.00)		
Observations	1,000,199	967,886	967,886
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0237	0.119	0.119
Within R^2		0.0121	0.0121

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 148: Change in the Total Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.87*** (0.00)	-2.64*** (0.00)	-2.75*** (0.00)
Constant	1.44*** (0.00)		
Observations	2,835,162	2,032,649	2,805,613
Fixed Effects	No	F-P + T	P-T + F
R^2	0.175	0.379	0.225
Within R^2		0.175	0.156

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 149: Change in the Total Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.87*** (0.01)	-2.62*** (0.01)	-2.62*** (0.01)
Constant	1.47*** (0.00)		
Observations	1,000,199	967,886	967,886
Fixed Effects	No	F-P + T	P-T + F
R^2	0.215	0.300	0.300
Within R^2		0.174	0.174

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 150: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.01*** (0.00)	0.01*** (0.00)	0.01*** (0.00)
Constant	0.03*** (0.00)		
Observations	1,966,863	1,422,410	1,936,333
Fixed Effects	No	F-P + T	P-T + F
R^2	3.47e-05	0.284	0.0670
Within R^2		2.62e-05	2.02e-05

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 151: Change in Unit Value of the Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) UVCM	(2) UVCM	(3) UVCM
Market Drop/ Market Changes	0.04*** (0.00)	0.03*** (0.00)	0.03*** (0.00)
Constant	0.01*** (0.00)		
Observations	846,648	814,775	814,775
Fixed Effects	No	F-P + T	P-T + F
R^2	0.000356	0.0945	0.0945
Within R^2		0.000169	0.000169

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 152: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.85*** (0.00)	-0.68*** (0.00)	-0.71*** (0.00)
Constant	0.45*** (0.00)		
Observations	1,966,863	1,422,410	1,936,333
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0365	0.319	0.118
Within R^2		0.0262	0.0248

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 153: Change in Average Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) MQCM	(2) MQCM	(3) MQCM
Market Drop/ Market Changes	-0.99*** (0.01)	-0.76*** (0.01)	-0.76*** (0.01)
Constant	0.54*** (0.00)		
Observations	846,648	814,775	814,775
Fixed Effects	No	F-P + T	P-T + F
R^2	0.0515	0.170	0.170
Within R^2		0.0291	0.0291

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 154: Change in Unit Value of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.06*** (0.00)	0.06*** (0.00)	0.06*** (0.00)
Unit Value of Continuing Markets	0.75*** (0.00)	0.75*** (0.00)	0.74*** (0.00)
Constant	-0.02*** (0.00)		
Observations	1,966,863	1,422,410	1,936,333
Fixed Effects	No	F-P + T	P-T + F
R^2	0.543	0.644	0.562
Within R^2		0.523	0.530

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 155: Change in Unit Value of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.12*** (0.00)	0.11*** (0.00)	0.11*** (0.00)
Unit Value of Continuing Markets	0.70*** (0.00)	0.69*** (0.00)	0.69*** (0.00)
Constant	-0.04*** (0.00)		
Observations	846,648	814,775	814,775
Fixed Effects	No	F-P + T	P-T + F
R^2	0.490	0.525	0.525
Within R^2		0.476	0.476

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 156: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.04*** (0.00)	0.21*** (0.00)	0.04*** (0.00)
Mean Quantity of Continuing Markets	0.73*** (0.00)	0.73*** (0.00)	0.72*** (0.00)
Constant	-0.03*** (0.00)		
Observations	1,966,863	1,422,410	1,936,333
Fixed Effects	No	F-P + T	P-T + F
R^2	0.619	0.714	0.639
Within R^2		0.601	0.602

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 157: Change in Mean Quantity of Continuing Markets to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	0.08*** (0.00)	0.12*** (0.00)	0.12*** (0.00)
Mean Quantity of Continuing Markets	0.73*** (0.00)	0.72*** (0.00)	0.72*** (0.00)
Constant	-0.04*** (0.00)		
Observations	846,648	814,775	814,775
Fixed Effects	No	F-P + T	P-T + F
R^2	0.576	0.610	0.610
Within R^2		0.548	0.548

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

D Estimates based on deviations from the common trade pattern calculated at the firm-product level. The estimation sample is constructed based on all destinations including those countries with missing exchange rate and CPI series.

D.1 Key Statistics

Table 158: All Sectors - All Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Number of Destination Markets	2.90	1.00	1.00	1.00	3.00	130.00
Number of Destinations in the Common Trade Pattern	1.21	1.00	1.00	1.00	1.00	129.00
Deviation from the Common TP in Each Period	0.35	0.00	0.00	0.00	0.67	113.00
Number of Market Changes/ Number of Markets	0.68	0.50	0.00	0.00	1.00	113.00
Market Changes/ Markets (trade weighted)	641.87	0.12	0.00	0.00	2.04	3.50e+08
Market Drop/ Market Changes	0.47	0.50	0.00	0.00	1.00	1.00
Market Drop/ Market Changes (trade weighted)	0.46	0.36	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.15	0.12	0.00	0.00	0.25	0.86

Table 159: All Sectors - Large Firms
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Number of Destination Markets	5.00	2.00	1.00	1.00	6.00	130.00
Number of Destinations in the Common Trade Pattern	2.80	1.00	1.00	1.00	2.00	130.00
Deviation from the Common TP in Each Period	0.58	0.50	0.00	0.00	0.83	102.00
Number of Market Changes/ Number of Markets	1.02	0.67	0.00	0.00	1.00	102.00
Market Changes/ Markets (trade weighted)	808.47	0.41	0.00	0.00	2.58	1.17e+08
Market Drop/ Market Changes	0.46	0.50	0.00	0.07	0.80	1.00
Market Drop/ Market Changes (trade weighted)	0.46	0.35	0.00	0.00	0.99	1.00
Firm Level Switching Rate	0.29	0.31	0.00	0.04	0.48	0.86

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 8-digit HS level across all years (2000-2006).

Table 160: All Sectors - All Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Number of Destination Markets	4.95	2.00	1.00	1.00	5.00	150.00
Number of Destinations in the Common Trade Pattern	1.05	1.00	1.00	1.00	1.00	120.00
Deviation from the Common TP in Each Period	0.45	0.50	0.00	0.00	0.80	119.00
Number of Market Changes/ Number of Markets	0.79	0.65	0.00	0.00	1.00	105.00
Market Changes/ Markets (trade weighted)	1344.23	0.31	0.00	0.00	1.81	6.31e+07
Market Drop/ Market Changes	0.45	0.45	0.00	0.09	0.75	1.00
Market Drop/ Market Changes (trade weighted)	0.45	0.36	0.00	0.00	0.92	1.00
Firm Level Switching Rate	0.26	0.00	0.00	0.00	0.50	0.86

Table 161: All Sectors - Large Firms
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Number of Destination Markets	11.56	7.00	1.00	2.00	16.00	150.00
Number of Destinations in the Common Trade Pattern	3.92	1.00	1.00	1.00	2.00	124.00
Deviation from the Common TP in Each Period	0.83	0.84	0.00	0.50	0.95	115.00
Number of Market Changes/ Number of Markets	1.15	0.78	0.00	0.50	1.13	109.00
Market Changes/ Markets (trade weighted)	5201.84	0.46	0.00	0.06	1.72	6.31e+07
Market Drop/ Market Changes	0.45	0.44	0.00	0.19	0.69	1.00
Market Drop/ Market Changes (trade weighted)	0.44	0.35	0.00	0.03	0.87	1.00
Firm Level Switching Rate	0.52	0.60	0.00	0.29	0.80	0.86

The “Large Firms” statistics represent calculations based on trading patterns of a restricted sample of large firms by trade values. Specifically, I restrict the sample to firms with trade values above the 50th percentile measured at 2-digit HS level across all years (2000-2006).

D.1.1 By Product and Firm Types**(a) 8-digit Results**

Table 162: By Firm Types
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Private Enterprises						
Number of Destination Markets	2.88	2.00	1.00	1.00	3.00	120.00
Number of Market Changes/ Number of Markets	0.70	0.50	0.00	0.00	1.00	107.00
Market Changes/ Markets (trade weighted)	171.64	0.13	0.00	0.00	1.72	7.89e+06
Market Drop/ Market Changes	0.44	0.40	0.00	0.00	0.88	1.00
Market Drop/ Market Changes (trade weighted)	0.43	0.26	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.12	0.05	0.00	0.00	0.20	0.86
Foreign Invested Enterprises						
Number of Destination Markets	2.97	1.00	1.00	1.00	3.00	130.00
Number of Market Changes/ Number of Markets	0.52	0.25	0.00	0.00	0.80	79.00
Market Changes/ Markets (trade weighted)	1083.24	0.00	0.00	0.00	1.67	3.50e+08
Market Drop/ Market Changes	0.45	0.44	0.00	0.00	0.83	1.00
Market Drop/ Market Changes (trade weighted)	0.44	0.29	0.00	0.00	0.99	1.00
Firm Level Switching Rate	0.15	0.07	0.00	0.00	0.26	0.86
State-owned Enterprises						
Number of Destination Markets	2.83	1.00	1.00	1.00	3.00	123.00
Number of Market Changes/ Number of Markets	0.74	0.50	0.00	0.00	1.00	113.00
Market Changes/ Markets (trade weighted)	679.67	0.20	0.00	0.00	2.35	1.17e+08
Market Drop/ Market Changes	0.49	0.50	0.00	0.00	1.00	1.00
Market Drop/ Market Changes (trade weighted)	0.49	0.45	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.17	0.15	0.00	0.04	0.27	0.86

Table 163: By the Form of Commerce
 Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
General Trade						
Number of Destination Markets	2.83	1.00	1.00	1.00	3.00	129.00
Number of Market Changes/ Number of Markets	0.71	0.50	0.00	0.00	1.00	112.00
Market Changes/ Markets (trade weighted)	282.43	0.17	0.00	0.00	2.19	3.82e+07
Market Drop/ Market Changes	0.47	0.50	0.00	0.00	1.00	1.00
Market Drop/ Market Changes (trade weighted)	0.46	0.36	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.15	0.13	0.00	0.00	0.25	0.86
Mixture						
Number of Destination Markets	3.19	1.00	1.00	1.00	3.00	122.00
Number of Market Changes/ Number of Markets	0.46	0.00	0.00	0.00	0.80	113.00
Market Changes/ Markets (trade weighted)	244.52	0.00	0.00	0.00	1.22	6.44e+06
Market Drop/ Market Changes	0.47	0.50	0.00	0.00	0.83	1.00
Market Drop/ Market Changes (trade weighted)	0.52	0.57	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.14	0.06	0.00	0.00	0.23	0.86
Processing Trade						
Number of Destination Markets	3.26	1.00	1.00	1.00	3.00	130.00
Number of Market Changes/ Number of Markets	0.54	0.17	0.00	0.00	0.82	81.00
Market Changes/ Markets (trade weighted)	2735.67	0.00	0.00	0.00	1.42	3.50e+08
Market Drop/ Market Changes	0.46	0.50	0.00	0.00	0.86	1.00
Market Drop/ Market Changes (trade weighted)	0.45	0.33	0.00	0.00	0.99	1.00
Firm Level Switching Rate	0.15	0.08	0.00	0.00	0.28	0.86

Table 164: By Rauch Classification
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Differentiated Products						
Number of Destination Markets	2.96	1.00	1.00	1.00	3.00	130.00
Number of Market Changes/ Number of Markets	0.69	0.50	0.00	0.00	1.00	113.00
Market Changes/ Markets (trade weighted)	759.05	0.17	0.00	0.00	2.32	3.50e+08
Market Drop/ Market Changes	0.46	0.50	0.00	0.00	1.00	1.00
Market Drop/ Market Changes (trade weighted)	0.46	0.36	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.15	0.12	0.00	0.00	0.25	0.86
Organized Exchange						
Number of Destination Markets	2.24	1.00	1.00	1.00	2.00	61.00
Number of Market Changes/ Number of Markets	0.54	0.00	0.00	0.00	0.88	42.00
Market Changes/ Markets (trade weighted)	25.80	0.00	0.00	0.00	0.49	289485.00
Market Drop/ Market Changes	0.50	0.50	0.00	0.00	1.00	1.00
Market Drop/ Market Changes (trade weighted)	0.49	0.48	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.12	0.02	0.00	0.00	0.21	0.86
Reference Priced						
Number of Destination Markets	2.40	1.00	1.00	1.00	2.00	83.00
Number of Market Changes/ Number of Markets	0.56	0.25	0.00	0.00	0.95	63.00
Market Changes/ Markets (trade weighted)	103.74	0.00	0.00	0.00	1.21	3.13e+06
Market Drop/ Market Changes	0.47	0.50	0.00	0.00	1.00	1.00
Market Drop/ Market Changes (trade weighted)	0.47	0.37	0.00	0.00	1.00	1.00
Firm Level Switching Rate	0.13	0.09	0.00	0.00	0.22	0.86

Table 165: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

	Market Changes / Number of Markets		Market Drops / Market Changes		Firm Level Switching Rate
	Trade Weighted		Trade Weighted		
1-5 Live animals; animal products	0.00	0.00	0.50	0.54	0.00
6-14 Vegetable products	0.00	0.00	0.50	0.46	0.00
15 Animal/vegetable fats	0.00	0.00	0.50	0.45	0.00
16-24 Prepared foodstuffs	0.00	0.00	0.50	0.39	0.00
25-27 Mineral products	0.00	0.00	0.50	0.47	0.00
28-38 Products of chemical and allied industries	0.50	0.08	0.50	0.40	0.11
39-40 Plastics/rubber articles	0.50	0.28	0.50	0.35	0.13
41-43 Rawhides/leather articles, furs	0.67	0.35	0.50	0.43	0.17
44-46 Wood and articles of wood	0.50	0.12	0.50	0.42	0.10
47-49 Pulp of wood/other fibrous cellulosic material	0.43	0.02	0.43	0.26	0.04
50-63 Textile and textile articles	0.50	0.06	0.50	0.35	0.10
64-67 Footwear, headgear, etc.	0.67	0.32	0.50	0.42	0.17
68-70 Misc. manufactured articles	0.50	0.10	0.50	0.38	0.09
71 Precious or semiprec. stones	0.57	0.34	0.50	0.35	0.00
72-83 Base metals and articles of base metals	0.50	0.20	0.50	0.35	0.13
84-85 Machinery and mechanical appliances, etc.	0.50	0.17	0.47	0.33	0.15
86-89 Vehicles, aircraft, etc.	0.50	0.50	0.43	0.31	0.16
90-92 Optical, photographic, etc.	0.50	0.12	0.50	0.39	0.15
93 Arms and ammunition	0.33	0.00	0.47	0.26	0.10
94-96 Articles of stone, plaster, etc.	0.60	0.18	0.50	0.40	0.15
97+ Others	0.00	0.00	0.50	0.38	0.00

(b) 2-digit Results

Table 166: By Firm Types
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
Private Enterprises						
Number of Destination Markets	4.64	2.00	1.00	1.00	5.00	143.00
Number of Market Changes/ Number of Markets	0.87	0.67	0.00	0.00	1.00	104.00
Market Changes/ Markets (trade weighted)	152.01	0.34	0.00	0.00	1.73	7.86e+06
Market Drop/ Market Changes	0.42	0.38	0.00	0.00	0.69	1.00
Market Drop/ Market Changes (trade weighted)	0.41	0.26	0.00	0.00	0.86	1.00
Firm Level Switching Rate	0.21	0.00	0.00	0.00	0.50	0.86
Foreign Invested Enterprises						
Number of Destination Markets	4.28	2.00	1.00	1.00	4.00	143.00
Number of Market Changes/ Number of Markets	0.58	0.50	0.00	0.00	0.89	66.00
Market Changes/ Markets (trade weighted)	885.31	0.15	0.00	0.00	1.69	3.15e+07
Market Drop/ Market Changes	0.44	0.43	0.00	0.00	0.67	1.00
Market Drop/ Market Changes (trade weighted)	0.43	0.30	0.00	0.00	0.92	1.00
Firm Level Switching Rate	0.25	0.00	0.00	0.00	0.50	0.86
State-owned Enterprises						
Number of Destination Markets	5.78	2.00	1.00	1.00	6.00	125.00
Number of Market Changes/ Number of Markets	0.93	0.71	0.00	0.20	1.00	105.00
Market Changes/ Markets (trade weighted)	2843.21	0.40	0.00	0.00	1.96	6.31e+07
Market Drop/ Market Changes	0.49	0.50	0.00	0.20	0.79	1.00
Market Drop/ Market Changes (trade weighted)	0.49	0.47	0.00	0.04	0.95	1.00
Firm Level Switching Rate	0.33	0.29	0.00	0.00	0.60	0.86

Table 167: By the Form of Commerce
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Mean	Median	Distribution (Percentile)			
			Min	25th	75th	Max
General Trade						
Number of Destination Markets	4.96	2.00	1.00	1.00	5.00	150.00
Number of Market Changes/ Number of Markets	0.84	0.67	0.00	0.00	1.00	105.00
Market Changes/ Markets (trade weighted)	277.92	0.37	0.00	0.00	1.93	2.25e+07
Market Drop/ Market Changes	0.45	0.45	0.00	0.09	0.75	1.00
Market Drop/ Market Changes (trade weighted)	0.44	0.35	0.00	0.00	0.92	1.00
Firm Level Switching Rate	0.26	0.00	0.00	0.00	0.50	0.86
Mixture						
Number of Destination Markets	5.11	2.00	1.00	1.00	5.00	126.00
Number of Market Changes/ Number of Markets	0.54	0.50	0.00	0.00	0.86	32.00
Market Changes/ Markets (trade weighted)	302.23	0.08	0.00	0.00	1.17	7.08e+06
Market Drop/ Market Changes	0.46	0.50	0.00	0.17	0.67	1.00
Market Drop/ Market Changes (trade weighted)	0.51	0.53	0.00	0.02	0.97	1.00
Firm Level Switching Rate	0.29	0.17	0.00	0.00	0.57	0.86
Processing Trade						
Number of Destination Markets	4.85	2.00	1.00	1.00	5.00	143.00
Number of Market Changes/ Number of Markets	0.59	0.50	0.00	0.00	0.83	104.00
Market Changes/ Markets (trade weighted)	7428.01	0.08	0.00	0.00	1.28	6.31e+07
Market Drop/ Market Changes	0.45	0.47	0.00	0.07	0.73	1.00
Market Drop/ Market Changes (trade weighted)	0.44	0.34	0.00	0.00	0.94	1.00
Firm Level Switching Rate	0.25	0.00	0.00	0.00	0.50	0.86

Table 168: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

	Market Changes / Number of Markets		Market Drops / Market Changes		Firm Level Switching Rate
	Trade Weighted		Trade Weighted		
1-5 Live animals; animal products	0.50	0.07	0.50	0.51	0.00
6-14 Vegetable products	0.33	0.01	0.50	0.45	0.00
15 Animal/vegetable fats	0.00	0.00	0.50	0.42	0.00
16-24 Prepared foodstuffs	0.30	0.00	0.50	0.37	0.00
25-27 Mineral products	0.50	0.00	0.50	0.44	0.00
28-38 Products of chemical and allied industries	0.59	0.31	0.50	0.38	0.00
39-40 Plastics/rubber articles	0.67	0.47	0.43	0.34	0.17
41-43 Rawhides/leather articles, furs	0.71	0.41	0.50	0.42	0.20
44-46 Wood and articles of wood	0.63	0.35	0.50	0.40	0.00
47-49 Pulp of wood/other fibrous cellulosic material	0.58	0.27	0.43	0.29	0.00
50-63 Textile and textile articles	0.67	0.34	0.46	0.36	0.00
64-67 Footwear, headgear, etc.	0.70	0.33	0.50	0.42	0.00
68-70 Misc. manufactured articles	0.67	0.22	0.50	0.37	0.00
71 Precious or semiprec. stones	0.67	0.43	0.50	0.35	0.00
72-83 Base metals and articles of base metals	0.63	0.36	0.43	0.33	0.00
84-85 Machinery and mechanical appliances, etc.	0.63	0.56	0.40	0.30	0.25
86-89 Vehicles, aircraft, etc.	0.67	0.78	0.40	0.31	0.17
90-92 Optical, photographic, etc.	0.64	0.27	0.45	0.36	0.17
93 Arms and ammunition	0.50	0.65	0.50	0.46	0.00
94-96 Articles of stone, plaster, etc.	0.71	0.30	0.50	0.40	0.25
97+ Others	0.00	0.00	0.50	0.38	0.00

D.2 Regression Results

Table 169: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.08*** (0.00)	0.08*** (0.00)	0.08*** (0.00)
Constant	0.01*** (0.00)		
Observations	2,224,231	1,700,739	2,197,301
FE	No	F-P + T	P-T + F
SE	Robust	Robust	Robust

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 170: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Unit Value	(2) Unit Value	(3) Unit Value
Market Drop/ Market Changes	0.17*** (0.00)	0.16*** (0.00)	0.16*** (0.00)
Constant	-0.03*** (0.00)		
Observations	917,570	888,732	888,732
FE	No	F-P + T	P-T + F
SE	Robust	Robust	Robust

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 171: Change in the Average Quantity (across markets) to Drop-Change Ratio 8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.77*** (0.00)	-0.55*** (0.00)	-0.69*** (0.00)
Constant	0.38*** (0.00)		
Observations	2,224,231	1,700,739	2,197,301
FE	No	F-P + T	P-T + F
SE	Robust	Robust	Robust

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 172: Change in the Average Quantity (across markets) to Drop-Change Ratio 2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Mean Quantity	(2) Mean Quantity	(3) Mean Quantity
Market Drop/ Market Changes	-0.86*** (0.01)	-0.69*** (0.01)	-0.69*** (0.01)
Constant	0.45*** (0.00)		
Observations	917,570	888,732	888,732
FE	No	F-P + T	P-T + F
SE	Robust	Robust	Robust

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 173: Change in the Total Quantity (across markets) to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.50*** (0.00)	-2.26*** (0.00)	-2.38*** (0.00)
Constant	1.27*** (0.00)		
Observations	2,224,231	1,700,739	2,197,301
FE	No	F-P + T	P-T + F
SE	Robust	Robust	Robust

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.

Table 174: Change in the Total Quantity (across markets) to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

VARIABLES	(1) Total Quantity	(2) Total Quantity	(3) Total Quantity
Market Drop/ Market Changes	-2.85*** (0.01)	-2.62*** (0.01)	-2.62*** (0.01)
Constant	1.46*** (0.00)		
Observations	917,570	888,732	888,732
FE	No	F-P + T	P-T + F
SE	Robust	Robust	Robust

Note: Variables are constructed based on year-to-year changes at the firm-product level. All variables other than ratio measures are entered in logs. Firm-product and year fixed effects are added for the specification of column (2). Product-year and firm fixed effects are added for the specification of column (3). Robust standard errors are reported in the parentheses. ***, **, * represent statistical significance at 1%, 5%, 10% respectively. Source: Chinese Customs Data, 2000-2006.