

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

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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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,042,767 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 22.12 | 0.22 | 0.00 | 0.00 | 1.16 | 96.96 | 3,662,452 |
| 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,795,746 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 31.44 | 0.12 | 0.00 | 0.00 | 0.72 | 69.61 | 1,319,763 |
| 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,927,605 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 21.48 | 0.13 | 0.00 | 0.00 | 0.79 | 66.00 | 1,249,621 |
| 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 349,339 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 31.65 | 0.07 | 0.00 | 0.01 | 0.26 | 22.94 | 278,164 |
| 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) | 14.65 | 0.37 | 0.00 | 0.00 | 1.27 | 79.93 | 794,632 |
| 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) | 22.20 | 0.01 | 0.00 | 0.00 | 0.48 | 51.17 | 911,985 |
| 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) | 26.28 | 0.43 | 0.00 | 0.00 | 1.39 | 133.63 | 1,704,065 |
| 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 | 5,035,833 |
| Number of Market Changes/ Number of Markets | 1.03 | 0.79 | 0.00 | 0.00 | 1.50 | 5.00 | 2,988,139 |
| Market Changes/ Markets (trade weighted) | 25.44 | 0.36 | 0.00 | 0.00 | 1.30 | 112.33 | 2,988,139 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,105,993 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.42 | 0.00 | 0.04 | 0.90 | 1.00 | 2,105,993 |
| Firm Level Switching Rate | 0.27 | 0.29 | 0.00 | 0.08 | 0.43 | 0.69 | 5,035,833 |
| Mixture | | | | | | | |
| Number of Destination Markets | 3.08 | 1.00 | 1.00 | 1.00 | 3.00 | 27.00 | 192,223 |
| Number of Market Changes/ Number of Markets | 0.44 | 0.00 | 0.00 | 0.00 | 0.67 | 3.00 | 144,503 |
| Market Changes/ Markets (trade weighted) | 0.40 | 0.00 | 0.00 | 0.00 | 0.10 | 4.03 | 144,503 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.00 | 1.00 | 1.00 | 68,318 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.32 | 0.00 | 0.00 | 1.00 | 1.00 | 68,318 |
| Firm Level Switching Rate | 0.17 | 0.09 | 0.00 | 0.00 | 0.29 | 0.71 | 192,223 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 3.17 | 1.00 | 1.00 | 1.00 | 3.00 | 27.00 | 814,711 |
| Number of Market Changes/ Number of Markets | 0.65 | 0.40 | 0.00 | 0.00 | 1.00 | 4.00 | 529,811 |
| Market Changes/ Markets (trade weighted) | 9.35 | 0.01 | 0.00 | 0.00 | 0.52 | 49.73 | 529,810 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 295,460 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.37 | 0.00 | 0.00 | 0.94 | 1.00 | 295,460 |
| Firm Level Switching Rate | 0.20 | 0.15 | 0.00 | 0.00 | 0.37 | 0.71 | 814,711 |

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) | 16.32 | 0.26 | 0.00 | 0.00 | 1.19 | 95.46 | 2,777,846 |
| 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) | 17.74 | 0.03 | 0.00 | 0.00 | 0.67 | 47.59 | 39,995 |
| 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) | 54.64 | 0.10 | 0.00 | 0.00 | 1.01 | 87.29 | 351,034 |
| 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 | |
|--|---------|-----------|---------|---------|------------|-----------|
| | Markets | | Market | Market | Switching | Obs. |
| | | Value | Changes | Changes | Rate | |
| | | Measure | | | | |
| | | | | Value | | |
| | | | | Measure | | |
| 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 | 0.03 | 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 | 0.20 | 0.50 | 0.44 | 0.25 | 379,742 |
| 39-40 Plastics/rubber articles | 0.83 | 0.38 | 0.50 | 0.41 | 0.31 | 401,840 |
| 41-43 Rawhides/leather articles, furs | 0.90 | 0.43 | 0.50 | 0.45 | 0.33 | 179,972 |
| 44-46 Wood and articles of wood | 0.59 | 0.13 | 0.50 | 0.44 | 0.22 | 126,662 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.80 | 0.35 | 0.50 | 0.38 | 0.27 | 154,438 |
| 50-63 Textile and textile articles | 0.67 | 0.21 | 0.50 | 0.42 | 0.25 | 1,620,660 |
| 64-67 Footwear, headgear, etc. | 0.86 | 0.35 | 0.50 | 0.45 | 0.33 | 200,537 |
| 68-70 Misc. manufactured articles | 0.75 | 0.31 | 0.50 | 0.42 | 0.27 | 230,100 |
| 71 Precious or semiprec. stones | 0.80 | 0.29 | 0.50 | 0.39 | 0.20 | 25,929 |
| 72-83 Base metals and articles of base metals | 0.71 | 0.27 | 0.50 | 0.40 | 0.29 | 652,357 |
| 84-85 Machinery and mechanical appliances, etc. | 0.67 | 0.20 | 0.50 | 0.38 | 0.28 | 922,058 |
| 86-89 Vehicles, aircraft, etc. | 0.73 | 0.24 | 0.50 | 0.37 | 0.29 | 118,649 |
| 90-92 Optical, photographic, etc. | 0.67 | 0.23 | 0.50 | 0.42 | 0.29 | 180,550 |
| 93 Arms and ammunition | 0.93 | 0.49 | 0.50 | 0.45 | 0.40 | 697 |
| 94-96 Articles of stone, plaster, etc. | 0.86 | 0.38 | 0.50 | 0.43 | 0.33 | 542,511 |
| 97+ Others | 0.50 | 0.11 | 0.50 | 0.47 | 0.00 | 7,264 |

(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) | 11.85 | 0.25 | 0.00 | 0.00 | 0.97 | 61.00 | 329,500 |
| 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) | 14.95 | 0.02 | 0.00 | 0.00 | 0.31 | 30.28 | 414,254 |
| 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) | 30.23 | 0.25 | 0.00 | 0.02 | 1.00 | 116.94 | 426,876 |
| 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 | 1,608,241 |
| Number of Market Changes/ Number of Markets | 0.97 | 0.67 | 0.00 | 0.00 | 1.17 | 6.00 | 1,020,840 |
| Market Changes/ Markets (trade weighted) | 25.07 | 0.20 | 0.00 | 0.00 | 0.91 | 78.17 | 1,020,840 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.17 | 0.67 | 1.00 | 765,284 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.37 | 0.00 | 0.02 | 0.88 | 1.00 | 765,283 |
| Firm Level Switching Rate | 0.31 | 0.29 | 0.00 | 0.00 | 0.50 | 0.86 | 1,608,241 |
| Mixture | | | | | | | |
| Number of Destination Markets | 4.94 | 2.00 | 1.00 | 1.00 | 5.00 | 37.00 | 62,622 |
| Number of Market Changes/ Number of Markets | 0.47 | 0.33 | 0.00 | 0.00 | 0.67 | 3.00 | 48,904 |
| Market Changes/ Markets (trade weighted) | 0.32 | 0.01 | 0.00 | 0.00 | 0.09 | 2.58 | 48,904 |
| Market Drop/ Market Changes | 0.45 | 0.44 | 0.00 | 0.00 | 0.80 | 1.00 | 29,023 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.29 | 0.00 | 0.00 | 0.96 | 1.00 | 29,023 |
| Firm Level Switching Rate | 0.23 | 0.00 | 0.00 | 0.00 | 0.43 | 0.86 | 62,622 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 4.71 | 2.00 | 1.00 | 1.00 | 5.00 | 37.00 | 256,742 |
| Number of Market Changes/ Number of Markets | 0.62 | 0.43 | 0.00 | 0.00 | 0.83 | 4.00 | 179,877 |
| Market Changes/ Markets (trade weighted) | 6.89 | 0.02 | 0.00 | 0.00 | 0.24 | 29.12 | 179,877 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 110,984 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.34 | 0.00 | 0.00 | 0.93 | 1.00 | 110,984 |
| Firm Level Switching Rate | 0.24 | 0.00 | 0.00 | 0.00 | 0.50 | 0.86 | 256,742 |

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

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|---------|
| 1-5 Live animals; animal products | 0.33 | 0.01 | 0.50 | 0.50 | 0.00 | 20,131 |
| 6-14 Vegetable products | 0.33 | 0.01 | 0.50 | 0.45 | 0.00 | 62,732 |
| 15 Animal/vegetable fats | 0.50 | 0.07 | 0.50 | 0.46 | 0.00 | 1,894 |
| 16-24 Prepared foodstuffs | 0.25 | 0.00 | 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 | 0.15 | 0.50 | 0.39 | 0.25 | 134,969 |
| 39-40 Plastics/rubber articles | 0.67 | 0.17 | 0.50 | 0.35 | 0.33 | 145,996 |
| 41-43 Rawhides/leather articles, furs | 0.71 | 0.18 | 0.50 | 0.42 | 0.33 | 73,631 |
| 44-46 Wood and articles of wood | 0.63 | 0.11 | 0.50 | 0.40 | 0.25 | 59,363 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.75 | 0.23 | 0.50 | 0.34 | 0.25 | 71,731 |
| 50-63 Textile and textile articles | 0.67 | 0.14 | 0.50 | 0.37 | 0.25 | 338,780 |
| 64-67 Footwear, headgear, etc. | 0.78 | 0.23 | 0.50 | 0.43 | 0.33 | 93,804 |
| 68-70 Misc. manufactured articles | 0.71 | 0.20 | 0.50 | 0.38 | 0.29 | 104,658 |
| 71 Precious or semiprec. stones | 0.78 | 0.23 | 0.50 | 0.36 | 0.17 | 16,485 |
| 72-83 Base metals and articles of base metals | 0.67 | 0.15 | 0.50 | 0.34 | 0.25 | 234,045 |
| 84-85 Machinery and mechanical appliances, etc. | 0.57 | 0.10 | 0.40 | 0.28 | 0.29 | 216,585 |
| 86-89 Vehicles, aircraft, etc. | 0.67 | 0.12 | 0.43 | 0.32 | 0.29 | 43,982 |
| 90-92 Optical, photographic, etc. | 0.64 | 0.14 | 0.50 | 0.37 | 0.33 | 62,973 |
| 93 Arms and ammunition | 0.80 | 0.28 | 0.50 | 0.43 | 0.33 | 449 |
| 94-96 Articles of stone, plaster, etc. | 0.71 | 0.17 | 0.50 | 0.40 | 0.33 | 172,014 |
| 97+ Others | 0.50 | 0.05 | 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 |
|----------------|--------------------|--------------------|--------------------|
| total_nextdiff | -0.18*** (0.00) | -0.22*** (0.00) | -0.18*** (0.00) |
| total_cpitdiff | -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 |
|----------------|--------------------|--------------------|--------------------|
| total_nextdiff | -0.14*** (0.00) | -0.14*** (0.00) | -0.14*** (0.00) |
| total_cpitdiff | -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) 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 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) 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 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) | 18.41 | 0.09 | 0.00 | 0.00 | 0.45 | 32.86 | 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) | 18.22 | 0.04 | 0.00 | 0.01 | 0.16 | 12.32 | 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) | 9.24 | 0.22 | 0.00 | 0.04 | 0.70 | 34.28 | 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) | 11.16 | 0.04 | 0.00 | 0.00 | 0.25 | 17.71 | 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) | 60.10 | 0.18 | 0.00 | 0.04 | 0.73 | 119.93 | 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 | 8.23 | 4.00 | 1.00 | 2.00 | 10.00 | 58.00 | 442,746 |
| Number of Market Changes/ Number of Markets | 0.90 | 0.67 | 0.00 | 0.36 | 1.00 | 6.00 | 299,604 |
| Market Changes/ Markets (trade weighted) | 24.96 | 0.15 | 0.00 | 0.02 | 0.60 | 44.08 | 299,604 |
| Market Drop/ Market Changes | 0.42 | 0.40 | 0.00 | 0.11 | 0.67 | 1.00 | 250,240 |
| Market Drop/ Market Changes (trade weighted) | 0.40 | 0.29 | 0.00 | 0.01 | 0.80 | 1.00 | 250,240 |
| Firm Level Switching Rate | 0.37 | 0.40 | 0.00 | 0.00 | 0.67 | 0.86 | 442,746 |
| Mixture | | | | | | | |
| Number of Destination Markets | 6.50 | 2.00 | 1.00 | 1.00 | 7.00 | 57.00 | 69,869 |
| Number of Market Changes/ Number of Markets | 0.49 | 0.38 | 0.00 | 0.00 | 0.67 | 3.00 | 55,642 |
| Market Changes/ Markets (trade weighted) | 0.30 | 0.01 | 0.00 | 0.00 | 0.09 | 2.30 | 55,642 |
| Market Drop/ Market Changes | 0.46 | 0.44 | 0.00 | 0.00 | 0.78 | 1.00 | 35,172 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.30 | 0.00 | 0.00 | 0.95 | 1.00 | 35,172 |
| Firm Level Switching Rate | 0.26 | 0.14 | 0.00 | 0.00 | 0.50 | 0.86 | 69,869 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 6.23 | 3.00 | 1.00 | 1.00 | 8.00 | 42.00 | 114,818 |
| Number of Market Changes/ Number of Markets | 0.68 | 0.50 | 0.00 | 0.00 | 0.86 | 4.50 | 83,426 |
| Market Changes/ Markets (trade weighted) | 6.98 | 0.03 | 0.00 | 0.00 | 0.26 | 26.98 | 83,426 |
| Market Drop/ Market Changes | 0.44 | 0.43 | 0.00 | 0.00 | 0.71 | 1.00 | 60,467 |
| Market Drop/ Market Changes (trade weighted) | 0.42 | 0.31 | 0.00 | 0.00 | 0.88 | 1.00 | 60,467 |
| Firm Level Switching Rate | 0.31 | 0.29 | 0.00 | 0.00 | 0.57 | 0.86 | 114,818 |

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 |
|----------------|--------------------|--------------------|
| total_nextdiff | -0.11*** (0.00) | -0.12*** (0.00) |
| total_cpitdiff | -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 | 0.90 | 0.00 | 0.00 | 2.00 | 5.25 | 3,662,453 |
| Market Changes/ Markets (trade weighted) | 17.42 | 0.24 | 0.00 | 0.00 | 1.05 | 78.70 | 3,662,452 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,645,832 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.40 | 0.00 | 0.00 | 0.94 | 1.00 | 2,491,778 |
| Firm Level Switching Rate | 0.31 | 0.33 | 0.00 | 0.13 | 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. |
|--|-------|--------|---------------------------|------|------|-------|-----------|
| | | | 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 | 1.32 | 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) | 22.60 | 0.16 | 0.00 | 0.00 | 0.81 | 54.49 | 1,319,763 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 1,028,410 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.34 | 0.00 | 0.00 | 0.93 | 1.00 | 985,057 |
| 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) | 16.57 | 0.13 | 0.00 | 0.00 | 0.77 | 55.49 | 1,249,621 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.18 | 0.67 | 1.00 | 930,661 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.36 | 0.00 | 0.01 | 0.90 | 1.00 | 901,490 |
| 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 | 0.92 | 5.00 | 278,164 |
| Market Changes/ Markets (trade weighted) | 21.92 | 0.07 | 0.00 | 0.01 | 0.29 | 19.25 | 278,164 |
| Market Drop/ Market Changes | 0.44 | 0.43 | 0.00 | 0.19 | 0.67 | 1.00 | 239,465 |
| Market Drop/ Market Changes (trade weighted) | 0.42 | 0.32 | 0.00 | 0.03 | 0.80 | 1.00 | 236,539 |
| 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. |
|--|-------|--------|---------------------------|------|------|--------|-----------|
| | | | 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 | 1.21 | 1.00 | 0.00 | 0.00 | 2.00 | 6.00 | 794,632 |
| Market Changes/ Markets (trade weighted) | 10.89 | 0.38 | 0.00 | 0.00 | 1.16 | 67.64 | 794,632 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.25 | 0.63 | 1.00 | 585,841 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.34 | 0.00 | 0.00 | 0.88 | 1.00 | 553,084 |
| 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 | 4.17 | 911,985 |
| Market Changes/ Markets (trade weighted) | 20.28 | 0.01 | 0.00 | 0.00 | 0.56 | 40.23 | 911,985 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.17 | 0.67 | 1.00 | 539,152 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.31 | 0.00 | 0.00 | 0.97 | 1.00 | 506,372 |
| 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 | 0.42 | 2.00 | 6.00 | 1,704,066 |
| Market Changes/ Markets (trade weighted) | 19.61 | 0.43 | 0.00 | 0.00 | 1.23 | 107.59 | 1,704,065 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.33 | 0.67 | 1.00 | 1,327,798 |
| Market Drop/ Market Changes (trade weighted) | 0.48 | 0.46 | 0.00 | 0.02 | 0.95 | 1.00 | 1,249,227 |
| 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. |
|--|-------|--------|---------------------------|------|------|-------|-----------|
| | | | 1st | 25th | 75th | 99th | |
| General Trade | | | | | | | |
| Number of Destination Markets | 2.72 | 1.00 | 1.00 | 1.00 | 3.00 | 20.00 | 5,035,899 |
| Number of Market Changes/ Number of Markets | 1.23 | 1.00 | 0.00 | 0.20 | 2.00 | 6.00 | 2,988,131 |
| Market Changes/ Markets (trade weighted) | 19.85 | 0.36 | 0.00 | 0.00 | 1.16 | 91.02 | 2,988,131 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.29 | 0.67 | 1.00 | 2,248,432 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.41 | 0.00 | 0.01 | 0.93 | 1.00 | 2,121,765 |
| Firm Level Switching Rate | 0.32 | 0.33 | 0.00 | 0.17 | 0.49 | 0.71 | 5,035,899 |
| Mixture | | | | | | | |
| Number of Destination Markets | 3.07 | 1.00 | 1.00 | 1.00 | 3.00 | 27.00 | 192,451 |
| Number of Market Changes/ Number of Markets | 0.55 | 0.23 | 0.00 | 0.00 | 0.90 | 4.00 | 144,574 |
| Market Changes/ Markets (trade weighted) | 0.40 | 0.00 | 0.00 | 0.00 | 0.13 | 3.76 | 144,574 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.11 | 0.80 | 1.00 | 74,110 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.33 | 0.00 | 0.00 | 1.00 | 1.00 | 69,562 |
| Firm Level Switching Rate | 0.21 | 0.16 | 0.00 | 0.02 | 0.35 | 0.73 | 192,451 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 3.17 | 1.00 | 1.00 | 1.00 | 3.00 | 27.00 | 814,417 |
| Number of Market Changes/ Number of Markets | 0.82 | 0.50 | 0.00 | 0.00 | 1.13 | 5.00 | 529,748 |
| Market Changes/ Markets (trade weighted) | 8.36 | 0.02 | 0.00 | 0.00 | 0.60 | 40.45 | 529,747 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 323,290 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.35 | 0.00 | 0.00 | 0.97 | 1.00 | 300,451 |
| Firm Level Switching Rate | 0.26 | 0.23 | 0.00 | 0.05 | 0.43 | 0.74 | 814,417 |

Table 49: 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 | 1.13 | 0.88 | 0.00 | 0.00 | 2.00 | 5.50 | 2,777,847 |
| Market Changes/ Markets (trade weighted) | 13.78 | 0.26 | 0.00 | 0.00 | 1.07 | 77.77 | 2,777,846 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,008,448 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.40 | 0.00 | 0.01 | 0.93 | 1.00 | 1,911,180 |
| 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 | 0.67 | 0.00 | 0.00 | 2.00 | 5.00 | 39,995 |
| Market Changes/ Markets (trade weighted) | 17.04 | 0.08 | 0.00 | 0.00 | 0.93 | 40.58 | 39,995 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.33 | 0.67 | 1.00 | 26,113 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.45 | 0.00 | 0.00 | 1.00 | 1.00 | 23,315 |
| Firm Level Switching Rate | 0.29 | 0.30 | 0.00 | 0.09 | 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) | 39.48 | 0.16 | 0.00 | 0.00 | 1.00 | 71.87 | 351,034 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.33 | 0.63 | 1.00 | 250,954 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.40 | 0.00 | 0.00 | 0.98 | 1.00 | 222,333 |
| Firm Level Switching Rate | 0.33 | 0.35 | 0.00 | 0.17 | 0.50 | 0.74 | 563,077 |

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

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|-----------|
| 1-5 Live animals; animal products | 0.00 | 0.00 | 0.50 | 0.48 | 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 | 0.13 | 0.50 | 0.46 | 0.36 | 2,282 |
| 16-24 Prepared foodstuffs | 0.42 | 0.00 | 0.50 | 0.39 | 0.17 | 85,874 |
| 25-27 Mineral products | 0.50 | 0.02 | 0.50 | 0.44 | 0.24 | 32,180 |
| 28-38 Products of chemical and allied industries | 1.00 | 0.30 | 0.50 | 0.43 | 0.41 | 379,742 |
| 39-40 Plastics/rubber articles | 1.00 | 0.37 | 0.50 | 0.40 | 0.36 | 401,840 |
| 41-43 Rawhides/leather articles, furs | 1.00 | 0.51 | 0.50 | 0.45 | 0.40 | 179,972 |
| 44-46 Wood and articles of wood | 0.67 | 0.13 | 0.50 | 0.41 | 0.25 | 126,662 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 1.00 | 0.34 | 0.50 | 0.35 | 0.33 | 154,438 |
| 50-63 Textile and textile articles | 0.80 | 0.21 | 0.50 | 0.40 | 0.29 | 1,620,660 |
| 64-67 Footwear, headgear, etc. | 1.00 | 0.35 | 0.50 | 0.44 | 0.33 | 200,537 |
| 68-70 Misc. manufactured articles | 1.00 | 0.32 | 0.50 | 0.40 | 0.33 | 230,100 |
| 71 Precious or semiprec. stones | 0.89 | 0.26 | 0.50 | 0.37 | 0.25 | 25,929 |
| 72-83 Base metals and articles of base metals | 0.87 | 0.26 | 0.50 | 0.39 | 0.33 | 652,357 |
| 84-85 Machinery and mechanical appliances, etc. | 1.00 | 0.24 | 0.50 | 0.38 | 0.35 | 922,058 |
| 86-89 Vehicles, aircraft, etc. | 0.95 | 0.25 | 0.50 | 0.36 | 0.35 | 118,649 |
| 90-92 Optical, photographic, etc. | 0.88 | 0.25 | 0.50 | 0.41 | 0.35 | 180,550 |
| 93 Arms and ammunition | 1.25 | 0.48 | 0.50 | 0.33 | 0.50 | 697 |
| 94-96 Articles of stone, plaster, etc. | 1.00 | 0.32 | 0.50 | 0.42 | 0.33 | 542,511 |
| 97+ Others | 0.67 | 0.11 | 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. |
|--|-------|--------|---------------------------|------|------|-------|---------|
| | | | 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 | 1.10 | 0.80 | 0.00 | 0.25 | 1.33 | 7.00 | 329,500 |
| Market Changes/ Markets (trade weighted) | 10.45 | 0.25 | 0.00 | 0.00 | 0.94 | 53.44 | 329,500 |
| 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 | 242,883 |
| 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) | 12.46 | 0.03 | 0.00 | 0.00 | 0.35 | 24.72 | 414,254 |
| Market Drop/ Market Changes | 0.44 | 0.50 | 0.00 | 0.07 | 0.67 | 1.00 | 273,378 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.29 | 0.00 | 0.00 | 0.93 | 1.00 | 262,405 |
| 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) | 21.29 | 0.24 | 0.00 | 0.01 | 0.96 | 94.81 | 426,876 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.25 | 0.71 | 1.00 | 344,868 |
| Market Drop/ Market Changes (trade weighted) | 0.48 | 0.46 | 0.00 | 0.05 | 0.93 | 1.00 | 336,001 |
| 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. |
|--|-------|--------|---------------------------|------|------|-------|-----------|
| | | | 1st | 25th | 75th | 99th | |
| General Trade | | | | | | | |
| Number of Destination Markets | 4.67 | 2.00 | 1.00 | 1.00 | 5.00 | 35.00 | 1,608,009 |
| Number of Market Changes/ Number of Markets | 1.04 | 0.75 | 0.00 | 0.29 | 1.33 | 6.00 | 1,020,707 |
| Market Changes/ Markets (trade weighted) | 19.26 | 0.19 | 0.00 | 0.00 | 0.88 | 65.04 | 1,020,707 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 783,399 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.36 | 0.00 | 0.01 | 0.89 | 1.00 | 761,292 |
| Firm Level Switching Rate | 0.33 | 0.33 | 0.00 | 0.00 | 0.57 | 0.86 | 1,608,009 |
| Mixture | | | | | | | |
| Number of Destination Markets | 4.91 | 2.00 | 1.00 | 1.00 | 5.00 | 37.00 | 62,456 |
| Number of Market Changes/ Number of Markets | 0.54 | 0.40 | 0.00 | 0.00 | 0.75 | 3.00 | 48,742 |
| Market Changes/ Markets (trade weighted) | 0.33 | 0.01 | 0.00 | 0.00 | 0.10 | 2.57 | 48,742 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 30,181 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.29 | 0.00 | 0.00 | 0.98 | 1.00 | 28,948 |
| Firm Level Switching Rate | 0.26 | 0.17 | 0.00 | 0.00 | 0.50 | 0.86 | 62,456 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 4.71 | 2.00 | 1.00 | 1.00 | 5.00 | 37.00 | 257,140 |
| Number of Market Changes/ Number of Markets | 0.71 | 0.50 | 0.00 | 0.00 | 1.00 | 4.50 | 180,172 |
| Market Changes/ Markets (trade weighted) | 5.67 | 0.02 | 0.00 | 0.00 | 0.29 | 24.18 | 180,172 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.13 | 0.67 | 1.00 | 117,081 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.33 | 0.00 | 0.00 | 0.94 | 1.00 | 111,250 |
| Firm Level Switching Rate | 0.28 | 0.25 | 0.00 | 0.00 | 0.50 | 0.86 | 257,140 |

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

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|---------|
| 1-5 Live animals; animal products | 0.40 | 0.01 | 0.50 | 0.47 | 0.00 | 20,131 |
| 6-14 Vegetable products | 0.33 | 0.01 | 0.50 | 0.43 | 0.00 | 62,732 |
| 15 Animal/vegetable fats | 0.50 | 0.05 | 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 | 0.15 | 0.50 | 0.38 | 0.33 | 134,969 |
| 39-40 Plastics/rubber articles | 0.84 | 0.24 | 0.50 | 0.32 | 0.43 | 145,996 |
| 41-43 Rawhides/leather articles, furs | 0.75 | 0.17 | 0.50 | 0.41 | 0.33 | 73,631 |
| 44-46 Wood and articles of wood | 0.63 | 0.09 | 0.50 | 0.39 | 0.25 | 59,363 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 1.00 | 0.34 | 0.50 | 0.33 | 0.40 | 71,731 |
| 50-63 Textile and textile articles | 0.68 | 0.13 | 0.50 | 0.36 | 0.29 | 338,780 |
| 64-67 Footwear, headgear, etc. | 0.80 | 0.21 | 0.50 | 0.42 | 0.33 | 93,804 |
| 68-70 Misc. manufactured articles | 0.80 | 0.22 | 0.50 | 0.37 | 0.33 | 104,658 |
| 71 Precious or semiprec. stones | 0.78 | 0.18 | 0.50 | 0.35 | 0.17 | 16,485 |
| 72-83 Base metals and articles of base metals | 0.67 | 0.13 | 0.50 | 0.34 | 0.25 | 234,045 |
| 84-85 Machinery and mechanical appliances, etc. | 0.67 | 0.13 | 0.44 | 0.30 | 0.33 | 216,585 |
| 86-89 Vehicles, aircraft, etc. | 0.67 | 0.10 | 0.43 | 0.31 | 0.33 | 43,982 |
| 90-92 Optical, photographic, etc. | 0.67 | 0.16 | 0.50 | 0.36 | 0.33 | 62,973 |
| 93 Arms and ammunition | 0.80 | 0.21 | 0.50 | 0.41 | 0.33 | 449 |
| 94-96 Articles of stone, plaster, etc. | 0.71 | 0.15 | 0.50 | 0.40 | 0.33 | 172,014 |
| 97+ Others | 0.50 | 0.02 | 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 | 2,640,408 | 1,893,970 | 2,611,086 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.000899 | 0.211 | 0.0479 |
| Within R^2 | | 0.000959 | 0.000738 |

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 | 929,486 | 897,161 | 897,161 |
| 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 | 2,640,409 | 1,893,970 | 2,611,087 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.0168 | 0.236 | 0.0731 |
| Within R^2 | | 0.00954 | 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 | 929,486 | 897,161 | 897,161 |
| 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 | 2,640,409 | 1,893,970 | 2,611,087 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.172 | 0.377 | 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 | 929,486 | 897,161 | 897,161 |
| 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 |
|----------------|--------------------|--------------------|--------------------|
| total_nextdiff | -0.17*** (0.00) | -0.21*** (0.00) | -0.17*** (0.00) |
| total_cpitdiff | -0.76*** (0.00) | -0.76*** (0.00) | -0.74*** (0.00) |
| Constant | 0.48*** (0.00) | | |
| Observations | 2,645,832 | 1,897,656 | 2,616,509 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.216 | 0.412 | 0.294 |
| Within R^2 | | 0.231 | 0.204 |

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 |
|----------------|--------------------|--------------------|--------------------|
| total_nextdiff | -0.14*** (0.00) | -0.14*** (0.00) | -0.14*** (0.00) |
| total_cpitdiff | -0.63*** (0.00) | -0.58*** (0.00) | -0.58*** (0.00) |
| Constant | 0.47*** (0.00) | | |
| Observations | 930,661 | 898,329 | 898,329 |
| 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 | 2,645,832 | 1,897,656 | 2,616,509 |
| 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 | 930,661 | 898,329 | 898,329 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.0148 | 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 | 1,843,298 | 1,334,877 | 1,813,248 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 2.68e-05 | 0.284 | 0.0676 |
| Within R^2 | | 2.53e-05 | 1.86e-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 | 785,956 | 754,142 | 754,142 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.000322 | 0.0936 | 0.0936 |
| Within R^2 | | 0.000164 | 0.000164 |

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 | 1,843,298 | 1,334,877 | 1,813,248 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.0357 | 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 | 785,956 | 754,142 | 754,142 |
| 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 | 1,843,298 | 1,334,877 | 1,813,248 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.548 | 0.648 | 0.567 |
| Within R^2 | | 0.529 | 0.535 |

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 | 785,956 | 754,142 | 754,142 |
| 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 | 1,843,298 | 1,334,877 | 1,813,248 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.624 | 0.718 | 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) | (2) | (3) |
|-------------------------------------|--------------------|-------------------|-------------------|
| | Mean Quantity | Mean Quantity | 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 | 785,956 | 754,142 | 754,142 |
| 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) | 10.40 | 0.05 | 0.00 | 0.00 | 0.79 | 41.51 | 3,662,452 |
| 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 | 0.37 | 0.00 | 0.00 | 1.00 | 1.00 | 2,188,942 |
| 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 | 4.49 | 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) | 15.47 | 0.03 | 0.00 | 0.00 | 0.32 | 25.04 | 1,319,763 |
| 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 | 0.33 | 0.00 | 0.00 | 1.00 | 1.00 | 865,177 |
| 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) | 11.66 | 0.03 | 0.00 | 0.00 | 0.37 | 27.45 | 1,249,621 |
| 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 | 800,027 |
| 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 | 10.36 | 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) | 19.66 | 0.02 | 0.00 | 0.00 | 0.11 | 5.86 | 278,164 |
| 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 | 216,863 |
| 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) | 8.58 | 0.07 | 0.00 | 0.00 | 0.92 | 36.36 | 794,632 |
| 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 | 0.24 | 0.00 | 0.00 | 1.00 | 1.00 | 479,386 |
| 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) | 10.04 | 0.00 | 0.00 | 0.00 | 0.16 | 18.45 | 911,985 |
| 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 | 426,232 |
| 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) | 11.98 | 0.12 | 0.00 | 0.00 | 1.00 | 57.60 | 1,704,065 |
| 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 | 0.46 | 0.00 | 0.00 | 1.00 | 1.00 | 1,119,841 |
| 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 | 5,036,104 |
| Number of Market Changes/ Number of Markets | 1.03 | 0.79 | 0.00 | 0.00 | 1.50 | 5.00 | 2,988,212 |
| Market Changes/ Markets (trade weighted) | 11.91 | 0.09 | 0.00 | 0.00 | 0.96 | 48.29 | 2,988,212 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,106,054 |
| Market Drop/ Market Changes (trade weighted) | 0.48 | 0.38 | 0.00 | 0.00 | 1.00 | 1.00 | 1,876,149 |
| Firm Level Switching Rate | 0.27 | 0.29 | 0.00 | 0.08 | 0.43 | 0.69 | 5,036,104 |
| Mixture | | | | | | | |
| Number of Destination Markets | 3.07 | 1.00 | 1.00 | 1.00 | 3.00 | 26.00 | 192,198 |
| Number of Market Changes/ Number of Markets | 0.44 | 0.00 | 0.00 | 0.00 | 0.67 | 3.00 | 144,573 |
| Market Changes/ Markets (trade weighted) | 0.20 | 0.00 | 0.00 | 0.00 | 0.03 | 2.18 | 144,573 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.00 | 1.00 | 1.00 | 68,403 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.44 | 0.00 | 0.00 | 1.00 | 1.00 | 58,016 |
| Firm Level Switching Rate | 0.17 | 0.09 | 0.00 | 0.00 | 0.29 | 0.71 | 192,198 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 3.17 | 1.00 | 1.00 | 1.00 | 3.00 | 27.00 | 814,465 |
| Number of Market Changes/ Number of Markets | 0.65 | 0.40 | 0.00 | 0.00 | 1.00 | 4.00 | 529,668 |
| Market Changes/ Markets (trade weighted) | 4.64 | 0.00 | 0.00 | 0.00 | 0.17 | 19.16 | 529,667 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 295,314 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.32 | 0.00 | 0.00 | 1.00 | 1.00 | 254,777 |
| Firm Level Switching Rate | 0.20 | 0.15 | 0.00 | 0.00 | 0.37 | 0.71 | 814,465 |

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) | 7.29 | 0.06 | 0.00 | 0.00 | 0.84 | 41.76 | 2,777,846 |
| 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 | 1,696,746 |
| 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) | 5.16 | 0.00 | 0.00 | 0.00 | 0.27 | 17.94 | 39,995 |
| 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 | 0.46 | 0.00 | 0.00 | 1.00 | 1.00 | 18,439 |
| 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) | 30.25 | 0.01 | 0.00 | 0.00 | 0.51 | 34.13 | 351,034 |
| 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 | 184,301 |
| 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 / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|-----------|
| 1-5 Live animals; animal products | 0.00 | 0.00 | 0.50 | 0.55 | 0.06 | 44,882 |
| 6-14 Vegetable products | 0.00 | 0.00 | 0.50 | 0.44 | 0.06 | 134,952 |
| 15 Animal/vegetable fats | 0.33 | 0.00 | 0.50 | 0.33 | 0.00 | 2,282 |
| 16-24 Prepared foodstuffs | 0.00 | 0.00 | 0.50 | 0.38 | 0.03 | 85,874 |
| 25-27 Mineral products | 0.25 | 0.00 | 0.50 | 0.48 | 0.09 | 32,180 |
| 28-38 Products of chemical and allied industries | 0.61 | 0.03 | 0.50 | 0.41 | 0.25 | 379,742 |
| 39-40 Plastics/rubber articles | 0.83 | 0.09 | 0.50 | 0.38 | 0.31 | 401,840 |
| 41-43 Rawhides/leather articles, furs | 0.90 | 0.11 | 0.50 | 0.44 | 0.33 | 179,972 |
| 44-46 Wood and articles of wood | 0.59 | 0.02 | 0.50 | 0.43 | 0.22 | 126,662 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.80 | 0.06 | 0.50 | 0.29 | 0.27 | 154,438 |
| 50-63 Textile and textile articles | 0.67 | 0.04 | 0.50 | 0.36 | 0.25 | 1,620,660 |
| 64-67 Footwear, headgear, etc. | 0.86 | 0.10 | 0.50 | 0.43 | 0.33 | 200,537 |
| 68-70 Misc. manufactured articles | 0.75 | 0.07 | 0.50 | 0.38 | 0.27 | 230,100 |
| 71 Precious or semiprec. stones | 0.80 | 0.06 | 0.50 | 0.31 | 0.20 | 25,929 |
| 72-83 Base metals and articles of base metals | 0.71 | 0.06 | 0.50 | 0.37 | 0.29 | 652,357 |
| 84-85 Machinery and mechanical appliances, etc. | 0.67 | 0.04 | 0.50 | 0.33 | 0.28 | 922,058 |
| 86-89 Vehicles, aircraft, etc. | 0.73 | 0.05 | 0.50 | 0.31 | 0.29 | 118,649 |
| 90-92 Optical, photographic, etc. | 0.67 | 0.05 | 0.50 | 0.40 | 0.29 | 180,550 |
| 93 Arms and ammunition | 0.93 | 0.13 | 0.50 | 0.21 | 0.40 | 697 |
| 94-96 Articles of stone, plaster, etc. | 0.86 | 0.10 | 0.50 | 0.42 | 0.33 | 542,511 |
| 97+ Others | 0.50 | 0.00 | 0.50 | 0.43 | 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) | 5.35 | 0.06 | 0.00 | 0.00 | 0.53 | 26.51 | 329,500 |
| 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 | 0.22 | 0.00 | 0.00 | 1.00 | 1.00 | 211,954 |
| 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) | 5.39 | 0.00 | 0.00 | 0.00 | 0.11 | 10.96 | 414,254 |
| 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 | 226,265 |
| 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) | 19.42 | 0.08 | 0.00 | 0.00 | 0.56 | 47.45 | 426,876 |
| 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 | 307,201 |
| 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 | 1,608,282 |
| Number of Market Changes/ Number of Markets | 0.97 | 0.67 | 0.00 | 0.00 | 1.17 | 6.00 | 1,020,925 |
| Market Changes/ Markets (trade weighted) | 13.76 | 0.05 | 0.00 | 0.00 | 0.47 | 32.37 | 1,020,925 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.17 | 0.67 | 1.00 | 765,280 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.35 | 0.00 | 0.00 | 1.00 | 1.00 | 679,141 |
| Firm Level Switching Rate | 0.31 | 0.29 | 0.00 | 0.00 | 0.50 | 0.86 | 1,608,282 |
| Mixture | | | | | | | |
| Number of Destination Markets | 4.92 | 2.00 | 1.00 | 1.00 | 5.00 | 38.00 | 62,382 |
| Number of Market Changes/ Number of Markets | 0.47 | 0.33 | 0.00 | 0.00 | 0.67 | 3.00 | 48,688 |
| Market Changes/ Markets (trade weighted) | 0.13 | 0.00 | 0.00 | 0.00 | 0.03 | 1.28 | 48,688 |
| Market Drop/ Market Changes | 0.45 | 0.44 | 0.00 | 0.00 | 0.80 | 1.00 | 29,009 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.34 | 0.00 | 0.00 | 1.00 | 1.00 | 24,885 |
| Firm Level Switching Rate | 0.23 | 0.00 | 0.00 | 0.00 | 0.43 | 0.86 | 62,382 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 4.71 | 2.00 | 1.00 | 1.00 | 5.00 | 37.00 | 256,941 |
| Number of Market Changes/ Number of Markets | 0.62 | 0.43 | 0.00 | 0.00 | 0.83 | 4.00 | 180,008 |
| Market Changes/ Markets (trade weighted) | 2.91 | 0.00 | 0.00 | 0.00 | 0.08 | 10.51 | 180,008 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 111,002 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.31 | 0.00 | 0.00 | 1.00 | 1.00 | 96,001 |
| Firm Level Switching Rate | 0.24 | 0.00 | 0.00 | 0.00 | 0.50 | 0.86 | 256,941 |

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

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|---------|
| 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 | 0.42 | 0.00 | 62,732 |
| 15 Animal/vegetable fats | 0.50 | 0.00 | 0.50 | 0.23 | 0.00 | 1,894 |
| 16-24 Prepared foodstuffs | 0.25 | 0.00 | 0.50 | 0.37 | 0.00 | 49,103 |
| 25-27 Mineral products | 0.45 | 0.00 | 0.50 | 0.39 | 0.00 | 19,526 |
| 28-38 Products of chemical and allied industries | 0.60 | 0.03 | 0.50 | 0.36 | 0.25 | 134,969 |
| 39-40 Plastics/rubber articles | 0.67 | 0.05 | 0.50 | 0.34 | 0.33 | 145,996 |
| 41-43 Rawhides/leather articles, furs | 0.71 | 0.05 | 0.50 | 0.42 | 0.33 | 73,631 |
| 44-46 Wood and articles of wood | 0.63 | 0.03 | 0.50 | 0.39 | 0.25 | 59,363 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.75 | 0.05 | 0.50 | 0.30 | 0.25 | 71,731 |
| 50-63 Textile and textile articles | 0.67 | 0.04 | 0.50 | 0.34 | 0.25 | 338,780 |
| 64-67 Footwear, headgear, etc. | 0.78 | 0.06 | 0.50 | 0.42 | 0.33 | 93,804 |
| 68-70 Misc. manufactured articles | 0.71 | 0.06 | 0.50 | 0.37 | 0.29 | 104,658 |
| 71 Precious or semiprec. stones | 0.78 | 0.05 | 0.50 | 0.29 | 0.17 | 16,485 |
| 72-83 Base metals and articles of base metals | 0.67 | 0.03 | 0.50 | 0.32 | 0.25 | 234,045 |
| 84-85 Machinery and mechanical appliances, etc. | 0.57 | 0.02 | 0.40 | 0.26 | 0.29 | 216,585 |
| 86-89 Vehicles, aircraft, etc. | 0.67 | 0.03 | 0.43 | 0.31 | 0.29 | 43,982 |
| 90-92 Optical, photographic, etc. | 0.64 | 0.04 | 0.50 | 0.36 | 0.33 | 62,973 |
| 93 Arms and ammunition | 0.80 | 0.08 | 0.50 | 0.30 | 0.33 | 449 |
| 94-96 Articles of stone, plaster, etc. | 0.71 | 0.05 | 0.50 | 0.39 | 0.33 | 172,014 |
| 97+ Others | 0.50 | 0.00 | 0.50 | 0.50 | 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 |
|----------------|--------------------|--------------------|--------------------|
| total_nextdiff | -0.18*** (0.00) | -0.22*** (0.00) | -0.18*** (0.00) |
| total_cpitdiff | -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 |
|----------------|--------------------|--------------------|--------------------|
| total_nextdiff | -0.14*** (0.00) | -0.14*** (0.00) | -0.14*** (0.00) |
| total_cpitdiff | -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) | (2) | (3) |
|-------------------------------------|--------------------|-------------------|-------------------|
| | Mean Quantity | Mean Quantity | 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6,444,617 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 24.11 | 0.25 | 0.00 | 0.00 | 1.18 | 99.18 | 3,894,361 |
| 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,859,223 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 31.48 | 0.13 | 0.00 | 0.00 | 0.74 | 71.40 | 1,366,398 |
| 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 2,033,556 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 21.38 | 0.14 | 0.00 | 0.00 | 0.81 | 67.56 | 1,317,304 |
| 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 Destinations in the Common Trade Pattern | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 357,069 |
| Deviation from the Common TP in Each Period | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 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) | 30.79 | 0.07 | 0.00 | 0.01 | 0.28 | 23.57 | 284,311 |
| 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) | 14.68 | 0.39 | 0.00 | 0.00 | 1.28 | 80.08 | 859,079 |
| 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) | 22.27 | 0.01 | 0.00 | 0.00 | 0.52 | 52.34 | 959,474 |
| 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) | 30.49 | 0.47 | 0.00 | 0.00 | 1.43 | 138.33 | 1,810,689 |
| 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 | 5,363,266 |
| Number of Market Changes/ Number of Markets | 1.06 | 0.83 | 0.00 | 0.00 | 1.67 | 5.00 | 3,171,804 |
| Market Changes/ Markets (trade weighted) | 27.82 | 0.40 | 0.00 | 0.00 | 1.33 | 114.83 | 3,171,804 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,263,305 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.42 | 0.00 | 0.04 | 0.90 | 1.00 | 2,263,305 |
| Firm Level Switching Rate | 0.28 | 0.29 | 0.00 | 0.09 | 0.44 | 0.70 | 5,363,266 |
| Mixture | | | | | | | |
| Number of Destination Markets | 3.19 | 1.00 | 1.00 | 1.00 | 3.00 | 30.00 | 199,038 |
| Number of Market Changes/ Number of Markets | 0.45 | 0.00 | 0.00 | 0.00 | 0.67 | 3.00 | 149,106 |
| Market Changes/ Markets (trade weighted) | 0.42 | 0.00 | 0.00 | 0.00 | 0.10 | 4.12 | 149,106 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.00 | 1.00 | 1.00 | 70,926 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.32 | 0.00 | 0.00 | 1.00 | 1.00 | 70,926 |
| Firm Level Switching Rate | 0.17 | 0.09 | 0.00 | 0.00 | 0.30 | 0.71 | 199,038 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 3.26 | 1.00 | 1.00 | 1.00 | 3.00 | 29.00 | 882,313 |
| Number of Market Changes/ Number of Markets | 0.66 | 0.40 | 0.00 | 0.00 | 1.00 | 4.00 | 573,452 |
| Market Changes/ Markets (trade weighted) | 9.78 | 0.01 | 0.00 | 0.00 | 0.54 | 51.11 | 573,451 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.08 | 0.73 | 1.00 | 317,881 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.38 | 0.00 | 0.00 | 0.94 | 1.00 | 317,881 |
| Firm Level Switching Rate | 0.21 | 0.15 | 0.00 | 0.00 | 0.38 | 0.71 | 882,313 |

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) | 16.58 | 0.29 | 0.00 | 0.00 | 1.22 | 98.23 | 2,941,997 |
| 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) | 194.38 | 0.03 | 0.00 | 0.00 | 0.69 | 48.92 | 43,147 |
| 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) | 51.86 | 0.10 | 0.00 | 0.00 | 1.02 | 85.24 | 380,726 |
| 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 | |
|--|---------|-----------|---------|---------|------------|-----------|
| | Markets | | Market | Market | Switching | Obs. |
| | | Value | Changes | Changes | Rate | |
| | | Measure | | | | |
| | | | | Value | | |
| | | | | Measure | | |
| 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 | 0.20 | 0.50 | 0.44 | 0.25 | 413,418 |
| 39-40 Plastics/rubber articles | 0.86 | 0.40 | 0.50 | 0.41 | 0.32 | 434,031 |
| 41-43 Rawhides/leather articles, furs | 1.00 | 0.47 | 0.50 | 0.45 | 0.33 | 186,825 |
| 44-46 Wood and articles of wood | 0.67 | 0.15 | 0.50 | 0.44 | 0.23 | 133,502 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.83 | 0.40 | 0.50 | 0.38 | 0.29 | 166,141 |
| 50-63 Textile and textile articles | 0.67 | 0.24 | 0.50 | 0.42 | 0.25 | 1,695,906 |
| 64-67 Footwear, headgear, etc. | 0.90 | 0.39 | 0.50 | 0.45 | 0.33 | 210,107 |
| 68-70 Misc. manufactured articles | 0.80 | 0.33 | 0.50 | 0.42 | 0.28 | 246,331 |
| 71 Precious or semiprec. stones | 0.83 | 0.32 | 0.50 | 0.40 | 0.22 | 26,790 |
| 72-83 Base metals and articles of base metals | 0.75 | 0.29 | 0.50 | 0.40 | 0.29 | 702,841 |
| 84-85 Machinery and mechanical appliances, etc. | 0.67 | 0.22 | 0.50 | 0.39 | 0.29 | 1,005,104 |
| 86-89 Vehicles, aircraft, etc. | 0.75 | 0.27 | 0.50 | 0.37 | 0.30 | 127,923 |
| 90-92 Optical, photographic, etc. | 0.71 | 0.26 | 0.50 | 0.42 | 0.29 | 193,278 |
| 93 Arms and ammunition | 1.00 | 0.59 | 0.50 | 0.44 | 0.45 | 749 |
| 94-96 Articles of stone, plaster, etc. | 0.91 | 0.43 | 0.50 | 0.44 | 0.33 | 575,118 |
| 97+ Others | 0.51 | 0.13 | 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) | 12.03 | 0.26 | 0.00 | 0.00 | 0.98 | 61.84 | 349,394 |
| 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) | 14.74 | 0.03 | 0.00 | 0.00 | 0.33 | 30.71 | 436,475 |
| 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) | 30.17 | 0.27 | 0.00 | 0.02 | 1.01 | 120.00 | 449,110 |
| 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 | 1,688,593 |
| Number of Market Changes/ Number of Markets | 1.00 | 0.71 | 0.00 | 0.20 | 1.20 | 6.33 | 1,070,765 |
| Market Changes/ Markets (trade weighted) | 25.17 | 0.21 | 0.00 | 0.00 | 0.93 | 80.25 | 1,070,765 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.17 | 0.67 | 1.00 | 808,858 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.37 | 0.00 | 0.03 | 0.88 | 1.00 | 808,858 |
| Firm Level Switching Rate | 0.31 | 0.33 | 0.00 | 0.00 | 0.57 | 0.86 | 1,688,593 |
| Mixture | | | | | | | |
| Number of Destination Markets | 5.15 | 2.00 | 1.00 | 1.00 | 5.00 | 41.00 | 64,355 |
| Number of Market Changes/ Number of Markets | 0.48 | 0.35 | 0.00 | 0.00 | 0.70 | 3.00 | 50,053 |
| Market Changes/ Markets (trade weighted) | 0.32 | 0.01 | 0.00 | 0.00 | 0.09 | 2.67 | 50,053 |
| Market Drop/ Market Changes | 0.45 | 0.44 | 0.00 | 0.00 | 0.80 | 1.00 | 29,828 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.31 | 0.00 | 0.00 | 0.96 | 1.00 | 29,828 |
| Firm Level Switching Rate | 0.23 | 0.00 | 0.00 | 0.00 | 0.50 | 0.86 | 64,355 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 4.84 | 2.00 | 1.00 | 1.00 | 5.00 | 41.00 | 280,608 |
| Number of Market Changes/ Number of Markets | 0.62 | 0.44 | 0.00 | 0.00 | 0.83 | 4.00 | 196,486 |
| Market Changes/ Markets (trade weighted) | 6.10 | 0.02 | 0.00 | 0.00 | 0.24 | 28.95 | 196,486 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 119,526 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.34 | 0.00 | 0.00 | 0.92 | 1.00 | 119,525 |
| Firm Level Switching Rate | 0.24 | 0.00 | 0.00 | 0.00 | 0.50 | 0.86 | 280,608 |

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

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|---------|
| 1-5 Live animals; animal products | 0.40 | 0.02 | 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 | 0.02 | 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 | 0.03 | 0.50 | 0.44 | 0.00 | 21,617 |
| 28-38 Products of chemical and allied industries | 0.62 | 0.16 | 0.50 | 0.39 | 0.25 | 146,275 |
| 39-40 Plastics/rubber articles | 0.67 | 0.19 | 0.50 | 0.35 | 0.33 | 153,920 |
| 41-43 Rawhides/leather articles, furs | 0.75 | 0.20 | 0.50 | 0.42 | 0.33 | 75,491 |
| 44-46 Wood and articles of wood | 0.67 | 0.12 | 0.50 | 0.41 | 0.25 | 62,147 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.75 | 0.25 | 0.50 | 0.34 | 0.25 | 75,932 |
| 50-63 Textile and textile articles | 0.67 | 0.15 | 0.50 | 0.37 | 0.25 | 353,130 |
| 64-67 Footwear, headgear, etc. | 0.80 | 0.26 | 0.50 | 0.43 | 0.33 | 97,680 |
| 68-70 Misc. manufactured articles | 0.75 | 0.21 | 0.50 | 0.38 | 0.33 | 110,541 |
| 71 Precious or semiprec. stones | 0.80 | 0.25 | 0.50 | 0.37 | 0.17 | 16,984 |
| 72-83 Base metals and articles of base metals | 0.67 | 0.16 | 0.50 | 0.35 | 0.25 | 248,422 |
| 84-85 Machinery and mechanical appliances, etc. | 0.59 | 0.10 | 0.40 | 0.29 | 0.29 | 231,758 |
| 86-89 Vehicles, aircraft, etc. | 0.67 | 0.13 | 0.43 | 0.32 | 0.33 | 46,603 |
| 90-92 Optical, photographic, etc. | 0.67 | 0.16 | 0.50 | 0.37 | 0.33 | 66,768 |
| 93 Arms and ammunition | 0.88 | 0.32 | 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 | 0.06 | 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 | 8.25 | 3.00 | 1.00 | 1.00 | 10.00 | 62.00 | 649,633 |
| Number of Market Changes/ Number of Markets | 0.82 | 0.60 | 0.00 | 0.29 | 1.00 | 5.50 | 454,901 |
| Market Changes/ Markets (trade weighted) | 17.29 | 0.09 | 0.00 | 0.00 | 0.45 | 31.40 | 454,901 |
| Market Drop/ Market Changes | 0.43 | 0.40 | 0.00 | 0.11 | 0.67 | 1.00 | 360,007 |
| Market Drop/ Market Changes (trade weighted) | 0.41 | 0.30 | 0.00 | 0.01 | 0.82 | 1.00 | 360,007 |
| Firm Level Switching Rate | 0.35 | 0.33 | 0.00 | 0.00 | 0.67 | 0.86 | 649,633 |

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 | 17.47 | 11.00 | 1.00 | 4.00 | 25.00 | 88.00 | 153,452 |
| Number of Market Changes/ Number of Markets | 0.72 | 0.52 | 0.00 | 0.33 | 0.76 | 4.67 | 124,497 |
| Market Changes/ Markets (trade weighted) | 18.16 | 0.05 | 0.00 | 0.01 | 0.17 | 12.37 | 124,497 |
| Market Drop/ Market Changes | 0.42 | 0.40 | 0.00 | 0.18 | 0.63 | 1.00 | 110,815 |
| Market Drop/ Market Changes (trade weighted) | 0.40 | 0.31 | 0.00 | 0.04 | 0.73 | 1.00 | 110,815 |
| Firm Level Switching Rate | 0.54 | 0.67 | 0.00 | 0.33 | 0.83 | 0.86 | 153,452 |

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 | 8.63 | 4.00 | 1.00 | 2.00 | 11.00 | 56.00 | 192,303 |
| Number of Market Changes/ Number of Markets | 1.00 | 0.72 | 0.00 | 0.50 | 1.00 | 7.00 | 114,490 |
| Market Changes/ Markets (trade weighted) | 11.20 | 0.22 | 0.00 | 0.04 | 0.70 | 33.46 | 114,490 |
| Market Drop/ Market Changes | 0.38 | 0.33 | 0.00 | 0.06 | 0.60 | 1.00 | 98,721 |
| Market Drop/ Market Changes (trade weighted) | 0.35 | 0.21 | 0.00 | 0.00 | 0.67 | 1.00 | 98,721 |
| Firm Level Switching Rate | 0.34 | 0.33 | 0.00 | 0.00 | 0.60 | 0.86 | 192,303 |
| Foreign Invested Enterprises | | | | | | | |
| Number of Destination Markets | 5.88 | 3.00 | 1.00 | 1.00 | 7.00 | 40.00 | 336,260 |
| Number of Market Changes/ Number of Markets | 0.64 | 0.50 | 0.00 | 0.00 | 0.84 | 4.00 | 251,090 |
| Market Changes/ Markets (trade weighted) | 10.44 | 0.04 | 0.00 | 0.00 | 0.25 | 16.92 | 251,090 |
| Market Drop/ Market Changes | 0.43 | 0.40 | 0.00 | 0.00 | 0.67 | 1.00 | 181,156 |
| Market Drop/ Market Changes (trade weighted) | 0.41 | 0.28 | 0.00 | 0.00 | 0.86 | 1.00 | 181,156 |
| Firm Level Switching Rate | 0.30 | 0.25 | 0.00 | 0.00 | 0.57 | 0.86 | 336,260 |
| State-owned Enterprises | | | | | | | |
| Number of Destination Markets | 16.23 | 7.00 | 1.00 | 2.00 | 22.00 | 92.00 | 81,374 |
| Number of Market Changes/ Number of Markets | 1.20 | 0.68 | 0.00 | 0.44 | 1.00 | 11.00 | 61,450 |
| Market Changes/ Markets (trade weighted) | 56.00 | 0.19 | 0.00 | 0.04 | 0.75 | 121.06 | 61,450 |
| Market Drop/ Market Changes | 0.50 | 0.50 | 0.00 | 0.28 | 0.74 | 1.00 | 55,867 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.48 | 0.00 | 0.12 | 0.88 | 1.00 | 55,867 |
| Firm Level Switching Rate | 0.53 | 0.60 | 0.00 | 0.33 | 0.80 | 0.86 | 81,374 |

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 | 456,904 |
| Number of Market Changes/ Number of Markets | 0.92 | 0.67 | 0.00 | 0.38 | 1.00 | 6.00 | 309,911 |
| Market Changes/ Markets (trade weighted) | 23.27 | 0.15 | 0.00 | 0.02 | 0.59 | 41.54 | 309,911 |
| Market Drop/ Market Changes | 0.42 | 0.40 | 0.00 | 0.12 | 0.67 | 1.00 | 259,689 |
| Market Drop/ Market Changes (trade weighted) | 0.40 | 0.29 | 0.00 | 0.01 | 0.79 | 1.00 | 259,689 |
| Firm Level Switching Rate | 0.37 | 0.40 | 0.00 | 0.00 | 0.67 | 0.86 | 456,904 |
| Mixture | | | | | | | |
| Number of Destination Markets | 6.91 | 2.00 | 1.00 | 1.00 | 7.00 | 64.00 | 70,996 |
| Number of Market Changes/ Number of Markets | 0.50 | 0.40 | 0.00 | 0.00 | 0.70 | 3.00 | 56,403 |
| Market Changes/ Markets (trade weighted) | 0.30 | 0.01 | 0.00 | 0.00 | 0.09 | 2.41 | 56,403 |
| Market Drop/ Market Changes | 0.46 | 0.44 | 0.00 | 0.00 | 0.78 | 1.00 | 35,990 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.31 | 0.00 | 0.00 | 0.95 | 1.00 | 35,990 |
| Firm Level Switching Rate | 0.27 | 0.14 | 0.00 | 0.00 | 0.50 | 0.86 | 70,996 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 6.62 | 3.00 | 1.00 | 1.00 | 8.00 | 47.00 | 121,733 |
| Number of Market Changes/ Number of Markets | 0.70 | 0.50 | 0.00 | 0.00 | 0.86 | 4.67 | 88,587 |
| Market Changes/ Markets (trade weighted) | 7.16 | 0.03 | 0.00 | 0.00 | 0.26 | 25.73 | 88,587 |
| Market Drop/ Market Changes | 0.44 | 0.43 | 0.00 | 0.03 | 0.69 | 1.00 | 64,328 |
| Market Drop/ Market Changes (trade weighted) | 0.42 | 0.31 | 0.00 | 0.00 | 0.88 | 1.00 | 64,328 |
| Firm Level Switching Rate | 0.32 | 0.29 | 0.00 | 0.00 | 0.57 | 0.86 | 121,733 |

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) | 0.17*** (0.01) |
| Constant | -0.04*** (0.00) | |
| Observations | 360,007 | 314,454 |
| FE | No | F-P + T |
| R^2 | 0.00451 | 0.211 |
| Within R^2 | | 0.00312 |

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 | 360,007 | 314,454 |
| FE | No | F + T |
| R^2 | 0.0134 | 0.259 |
| Within R^2 | | 0.000191 |

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) Total Quantity | (2) Total Quantity |
|-----------------------------|-----------------------|-----------------------|
| Market Drop/ Market Changes | -2.37*** (0.01) | -1.82*** (0.01) |
| Constant | 1.28*** (0.00) | |
| Observations | 360,007 | 314,454 |
| FE | No | F + T |
| R^2 | 0.199 | 0.405 |
| 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 133: 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 | 0.01** (0.00) | |
| Observations | 337,044 | 294,438 |
| Fixed Effects | No | F + T |
| R^2 | 0.000855 | 0.259 |
| Within R^2 | | 0.000510 |

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 134: 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 | -1.15*** (0.01) | -0.74*** (0.01) |
| Constant | 0.67*** (0.00) | |
| Observations | 337,044 | 294,438 |
| Fixed Effects | No | F + T |
| R^2 | 0.0804 | 0.350 |
| Within R^2 | | 0.0375 |

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 135: 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) | 0.80*** (0.01) |
| Constant | -0.04*** (0.00) | |
| Observations | 337,044 | 294,438 |
| Fixed Effects | No | F-P + T |
| R^2 | 0.564 | 0.682 |
| Within R^2 | | 0.582 |

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 136: Change in Mean Quantity of Continuing 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 | 0.45*** (0.01) | 0.61*** (0.01) |
| Mean Quantity of Continuing Markets | 0.77*** (0.00) | 0.78*** (0.00) |
| Constant | -0.22*** (0.00) | |
| Observations | 337,044 | 294,438 |
| Fixed Effects | No | F + T |
| R^2 | 0.632 | 0.736 |
| Within R^2 | | 0.630 |

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 137: 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) | 17.68 | 0.27 | 0.00 | 0.00 | 1.08 | 81.52 | 3,894,361 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.27 | 0.67 | 1.00 | 2,841,087 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.40 | 0.00 | 0.01 | 0.93 | 1.00 | 2,675,003 |
| Firm Level Switching Rate | 0.31 | 0.33 | 0.00 | 0.14 | 0.49 | 0.73 | 6,444,617 |

Table 138: 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 | 1.38 | 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 | 7.00 | 1,366,398 |
| Market Changes/ Markets (trade weighted) | 21.57 | 0.17 | 0.00 | 0.00 | 0.83 | 56.24 | 1,366,398 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 1,079,344 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.35 | 0.00 | 0.00 | 0.92 | 1.00 | 1,033,958 |
| Firm Level Switching Rate | 0.41 | 0.45 | 0.00 | 0.20 | 0.62 | 0.84 | 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 139: 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) | 16.97 | 0.16 | 0.00 | 0.00 | 0.82 | 58.29 | 1,317,304 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 1,001,167 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.36 | 0.00 | 0.01 | 0.90 | 1.00 | 961,582 |
| Firm Level Switching Rate | 0.34 | 0.33 | 0.00 | 0.00 | 0.60 | 0.86 | 2,033,556 |

Table 140: 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 | 1.00 | 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 | 0.94 | 5.00 | 284,311 |
| Market Changes/ Markets (trade weighted) | 21.32 | 0.08 | 0.00 | 0.01 | 0.30 | 19.94 | 284,311 |
| Market Drop/ Market Changes | 0.44 | 0.43 | 0.00 | 0.20 | 0.67 | 1.00 | 247,345 |
| Market Drop/ Market Changes (trade weighted) | 0.42 | 0.33 | 0.00 | 0.03 | 0.78 | 1.00 | 244,290 |
| Firm Level Switching Rate | 0.51 | 0.57 | 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 141: 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) | 11.13 | 0.39 | 0.00 | 0.00 | 1.18 | 68.58 | 859,079 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.25 | 0.63 | 1.00 | 634,325 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.35 | 0.00 | 0.01 | 0.87 | 1.00 | 598,744 |
| Firm Level Switching Rate | 0.26 | 0.27 | 0.00 | 0.00 | 0.44 | 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 | 0.79 | 0.50 | 0.00 | 0.00 | 1.00 | 5.00 | 959,474 |
| Market Changes/ Markets (trade weighted) | 20.09 | 0.02 | 0.00 | 0.00 | 0.58 | 41.56 | 959,474 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.17 | 0.67 | 1.00 | 577,910 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.32 | 0.00 | 0.00 | 0.96 | 1.00 | 541,318 |
| Firm Level Switching Rate | 0.25 | 0.21 | 0.00 | 0.02 | 0.42 | 0.76 | 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) | 20.10 | 0.46 | 0.00 | 0.00 | 1.27 | 112.50 | 1,810,689 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.33 | 0.67 | 1.00 | 1,423,668 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.46 | 0.00 | 0.03 | 0.95 | 1.00 | 1,340,131 |
| Firm Level Switching Rate | 0.38 | 0.40 | 0.00 | 0.26 | 0.50 | 0.71 | 2,795,198 |

Table 142: 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 | 5,363,279 |
| Number of Market Changes/ Number of Markets | 1.26 | 1.00 | 0.00 | 0.33 | 2.00 | 6.00 | 3,171,768 |
| Market Changes/ Markets (trade weighted) | 20.10 | 0.40 | 0.00 | 0.00 | 1.19 | 94.14 | 3,171,768 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.29 | 0.67 | 1.00 | 2,413,750 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.41 | 0.00 | 0.01 | 0.93 | 1.00 | 2,279,044 |
| Firm Level Switching Rate | 0.33 | 0.35 | 0.00 | 0.17 | 0.50 | 0.72 | 5,363,279 |
| Mixture | | | | | | | |
| Number of Destination Markets | 3.20 | 1.00 | 1.00 | 1.00 | 3.00 | 30.00 | 198,776 |
| Number of Market Changes/ Number of Markets | 0.57 | 0.25 | 0.00 | 0.00 | 1.00 | 4.00 | 149,002 |
| Market Changes/ Markets (trade weighted) | 0.42 | 0.00 | 0.00 | 0.00 | 0.14 | 3.98 | 149,002 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.13 | 0.77 | 1.00 | 77,275 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.34 | 0.00 | 0.00 | 1.00 | 1.00 | 72,244 |
| Firm Level Switching Rate | 0.22 | 0.17 | 0.00 | 0.02 | 0.36 | 0.75 | 198,776 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 3.26 | 1.00 | 1.00 | 1.00 | 3.00 | 29.00 | 882,562 |
| Number of Market Changes/ Number of Markets | 0.84 | 0.50 | 0.00 | 0.00 | 1.20 | 5.00 | 573,592 |
| Market Changes/ Markets (trade weighted) | 8.73 | 0.02 | 0.00 | 0.00 | 0.62 | 42.08 | 573,591 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 350,062 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.36 | 0.00 | 0.00 | 0.97 | 1.00 | 323,715 |
| Firm Level Switching Rate | 0.26 | 0.24 | 0.00 | 0.05 | 0.44 | 0.75 | 882,562 |

Table 143: 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) | 13.96 | 0.29 | 0.00 | 0.00 | 1.10 | 81.05 | 2,941,997 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,152,927 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.40 | 0.00 | 0.01 | 0.93 | 1.00 | 2,048,226 |
| 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) | 17.55 | 0.09 | 0.00 | 0.00 | 0.97 | 39.01 | 43,147 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.33 | 0.67 | 1.00 | 28,633 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.46 | 0.00 | 0.00 | 1.00 | 1.00 | 25,383 |
| Firm Level Switching Rate | 0.30 | 0.32 | 0.00 | 0.13 | 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) | 38.67 | 0.17 | 0.00 | 0.00 | 1.00 | 71.61 | 380,726 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.33 | 0.63 | 1.00 | 272,689 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.40 | 0.00 | 0.00 | 0.97 | 1.00 | 241,006 |
| Firm Level Switching Rate | 0.33 | 0.36 | 0.00 | 0.17 | 0.50 | 0.75 | 612,283 |

Table 144: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|-----------|
| 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 | 0.67 | 0.03 | 0.50 | 0.43 | 0.33 | 2,809 |
| 16-24 Prepared foodstuffs | 0.44 | 0.00 | 0.50 | 0.39 | 0.17 | 90,557 |
| 25-27 Mineral products | 0.57 | 0.03 | 0.50 | 0.45 | 0.25 | 36,347 |
| 28-38 Products of chemical and allied industries | 1.00 | 0.31 | 0.50 | 0.43 | 0.42 | 413,418 |
| 39-40 Plastics/rubber articles | 1.00 | 0.39 | 0.50 | 0.40 | 0.36 | 434,031 |
| 41-43 Rawhides/leather articles, furs | 1.00 | 0.56 | 0.50 | 0.45 | 0.40 | 186,825 |
| 44-46 Wood and articles of wood | 0.75 | 0.15 | 0.50 | 0.42 | 0.27 | 133,502 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 1.00 | 0.36 | 0.50 | 0.36 | 0.33 | 166,141 |
| 50-63 Textile and textile articles | 0.82 | 0.24 | 0.50 | 0.40 | 0.29 | 1,695,906 |
| 64-67 Footwear, headgear, etc. | 1.00 | 0.39 | 0.50 | 0.44 | 0.36 | 210,107 |
| 68-70 Misc. manufactured articles | 1.00 | 0.35 | 0.50 | 0.41 | 0.33 | 246,331 |
| 71 Precious or semiprec. stones | 1.00 | 0.29 | 0.50 | 0.38 | 0.25 | 26,790 |
| 72-83 Base metals and articles of base metals | 0.90 | 0.28 | 0.50 | 0.39 | 0.33 | 702,841 |
| 84-85 Machinery and mechanical appliances, etc. | 1.00 | 0.26 | 0.50 | 0.38 | 0.36 | 1,005,104 |
| 86-89 Vehicles, aircraft, etc. | 1.00 | 0.29 | 0.50 | 0.36 | 0.37 | 127,923 |
| 90-92 Optical, photographic, etc. | 1.00 | 0.29 | 0.50 | 0.41 | 0.36 | 193,278 |
| 93 Arms and ammunition | 1.50 | 0.54 | 0.50 | 0.36 | 0.50 | 749 |
| 94-96 Articles of stone, plaster, etc. | 1.00 | 0.36 | 0.50 | 0.42 | 0.35 | 575,118 |
| 97+ Others | 0.67 | 0.11 | 0.50 | 0.46 | 0.20 | 7,660 |

(b) 2-digit Results

Table 145: 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) | 10.78 | 0.27 | 0.00 | 0.00 | 0.97 | 54.96 | 349,394 |
| Market Drop/ Market Changes | 0.43 | 0.45 | 0.00 | 0.17 | 0.67 | 1.00 | 270,002 |
| Market Drop/ Market Changes (trade weighted) | 0.41 | 0.29 | 0.00 | 0.00 | 0.82 | 1.00 | 259,172 |
| 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) | 12.94 | 0.04 | 0.00 | 0.00 | 0.44 | 26.55 | 436,475 |
| Market Drop/ Market Changes | 0.44 | 0.50 | 0.00 | 0.16 | 0.67 | 1.00 | 300,598 |
| Market Drop/ Market Changes (trade weighted) | 0.43 | 0.30 | 0.00 | 0.00 | 0.93 | 1.00 | 284,495 |
| 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 | 1.17 | 0.85 | 0.00 | 0.46 | 1.50 | 7.00 | 449,110 |
| Market Changes/ Markets (trade weighted) | 21.82 | 0.26 | 0.00 | 0.02 | 0.99 | 99.95 | 449,110 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.25 | 0.71 | 1.00 | 365,306 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.46 | 0.00 | 0.06 | 0.92 | 1.00 | 354,712 |
| Firm Level Switching Rate | 0.42 | 0.50 | 0.00 | 0.00 | 0.67 | 0.86 | 632,064 |

Table 146: 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 | 1,688,643 |
| Number of Market Changes/ Number of Markets | 1.10 | 0.80 | 0.00 | 0.33 | 1.40 | 7.00 | 1,070,762 |
| Market Changes/ Markets (trade weighted) | 19.81 | 0.22 | 0.00 | 0.00 | 0.92 | 68.50 | 1,070,762 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 837,296 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.37 | 0.00 | 0.02 | 0.89 | 1.00 | 808,835 |
| Firm Level Switching Rate | 0.34 | 0.33 | 0.00 | 0.00 | 0.60 | 0.86 | 1,688,643 |
| Mixture | | | | | | | |
| Number of Destination Markets | 5.18 | 2.00 | 1.00 | 1.00 | 5.00 | 42.00 | 64,567 |
| Number of Market Changes/ Number of Markets | 0.61 | 0.50 | 0.00 | 0.00 | 0.89 | 3.14 | 50,279 |
| Market Changes/ Markets (trade weighted) | 0.36 | 0.01 | 0.00 | 0.00 | 0.14 | 2.78 | 50,279 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.14 | 0.67 | 1.00 | 32,495 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.30 | 0.00 | 0.00 | 0.98 | 1.00 | 30,694 |
| Firm Level Switching Rate | 0.30 | 0.20 | 0.00 | 0.00 | 0.57 | 0.86 | 64,567 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 4.83 | 2.00 | 1.00 | 1.00 | 5.00 | 41.00 | 280,346 |
| Number of Market Changes/ Number of Markets | 0.80 | 0.50 | 0.00 | 0.00 | 1.00 | 5.00 | 196,263 |
| Market Changes/ Markets (trade weighted) | 5.73 | 0.03 | 0.00 | 0.00 | 0.38 | 25.97 | 196,263 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 131,376 |
| Market Drop/ Market Changes (trade weighted) | 0.44 | 0.34 | 0.00 | 0.00 | 0.94 | 1.00 | 122,053 |
| Firm Level Switching Rate | 0.31 | 0.29 | 0.00 | 0.00 | 0.57 | 0.86 | 280,346 |

Table 147: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|---------|
| 1-5 Live animals; animal products | 0.40 | 0.01 | 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 | 0.13 | 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 | 0.04 | 0.50 | 0.41 | 0.14 | 21,617 |
| 28-38 Products of chemical and allied industries | 0.67 | 0.16 | 0.50 | 0.38 | 0.33 | 146,275 |
| 39-40 Plastics/rubber articles | 1.25 | 0.52 | 0.50 | 0.36 | 0.67 | 153,920 |
| 41-43 Rawhides/leather articles, furs | 0.75 | 0.19 | 0.50 | 0.41 | 0.33 | 75,491 |
| 44-46 Wood and articles of wood | 0.67 | 0.10 | 0.50 | 0.40 | 0.25 | 62,147 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.83 | 0.24 | 0.50 | 0.33 | 0.33 | 75,932 |
| 50-63 Textile and textile articles | 0.73 | 0.15 | 0.50 | 0.36 | 0.33 | 353,130 |
| 64-67 Footwear, headgear, etc. | 0.82 | 0.24 | 0.50 | 0.43 | 0.33 | 97,680 |
| 68-70 Misc. manufactured articles | 0.82 | 0.23 | 0.50 | 0.38 | 0.33 | 110,541 |
| 71 Precious or semiprec. stones | 0.80 | 0.20 | 0.50 | 0.36 | 0.17 | 16,984 |
| 72-83 Base metals and articles of base metals | 0.67 | 0.14 | 0.50 | 0.34 | 0.25 | 248,422 |
| 84-85 Machinery and mechanical appliances, etc. | 0.75 | 0.16 | 0.50 | 0.29 | 0.50 | 231,758 |
| 86-89 Vehicles, aircraft, etc. | 0.67 | 0.11 | 0.43 | 0.31 | 0.33 | 46,603 |
| 90-92 Optical, photographic, etc. | 0.75 | 0.20 | 0.50 | 0.37 | 0.40 | 66,768 |
| 93 Arms and ammunition | 0.88 | 0.23 | 0.50 | 0.43 | 0.33 | 474 |
| 94-96 Articles of stone, plaster, etc. | 0.75 | 0.16 | 0.50 | 0.41 | 0.33 | 178,790 |
| 97+ Others | 0.50 | 0.03 | 0.50 | 0.43 | 0.00 | 5,069 |

C.2 Regression Results

Table 148: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

| VARIABLES | (1) | (2) | (3) |
|-----------------------------|-------------------|-------------------|-------------------|
| | Unit Value | Unit Value | Unit Value |
| Market Drop/ Market Changes | 0.09*** (0.00) | 0.09*** (0.00) | 0.09*** (0.00) |
| Constant | 0.01*** (0.00) | | |
| Observations | 2,835,186 | 2,033,155 | 2,805,607 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.000951 | 0.210 | 0.0474 |
| Within R^2 | | 0.000988 | 0.000770 |

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

| VARIABLES | (1) | (2) | (3) |
|-----------------------------|--------------------|-------------------|-------------------|
| | Unit Value | Unit Value | Unit Value |
| Market Drop/ Market Changes | 0.17*** (0.00) | 0.15*** (0.00) | 0.15*** (0.00) |
| Constant | -0.03*** (0.00) | | |
| Observations | 999,888 | 967,585 | 967,585 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.00325 | 0.0766 | 0.0766 |
| Within R^2 | | 0.00240 | 0.00240 |

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 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) | -0.55*** (0.00) | -0.68*** (0.00) |
| Constant | 0.39*** (0.00) | | |
| Observations | 2,835,187 | 2,033,155 | 2,805,608 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.0172 | 0.235 | 0.0719 |
| Within R^2 | | 0.00993 | 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 151: 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 | 999,888 | 967,585 | 967,585 |
| 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 152: 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 | 2,835,187 | 2,033,155 | 2,805,608 |
| 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 153: 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 | 999,888 | 967,585 | 967,585 |
| 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 154: 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 | 1,966,865 | 1,422,966 | 1,936,308 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 3.51e-05 | 0.285 | 0.0670 |
| Within R^2 | | 2.62e-05 | 2.05e-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 155: 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 | 846,337 | 814,480 | 814,480 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.000357 | 0.0946 | 0.0946 |
| 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 156: 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 | 1,966,865 | 1,422,966 | 1,936,308 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.0366 | 0.319 | 0.118 |
| Within R^2 | | 0.0263 | 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 157: 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 | 846,337 | 814,480 | 814,480 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.0516 | 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 158: 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 | 1,966,865 | 1,422,966 | 1,936,308 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.543 | 0.644 | 0.562 |
| Within R^2 | | 0.523 | 0.531 |

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 159: 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 | 846,337 | 814,480 | 814,480 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.490 | 0.524 | 0.524 |
| 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 160: 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 | 1,966,865 | 1,422,966 | 1,936,308 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.618 | 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 161: 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 | 846,337 | 814,480 | 814,480 |
| Fixed Effects | No | F-P + T | P-T + F |
| R^2 | 0.576 | 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.

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 162: 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 | 2.81 | 1.00 | 1.00 | 1.00 | 3.00 | 23.00 | 6,444,617 |
| Deviation from the Common TP in Each Period | 0.66 | 0.00 | 0.00 | 0.00 | 1.00 | 5.00 | 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) | 10.81 | 0.05 | 0.00 | 0.00 | 0.82 | 42.63 | 3,894,361 |
| 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) | 0.48 | 0.38 | 0.00 | 0.00 | 1.00 | 1.00 | 2,360,402 |
| Firm Level Switching Rate | 0.27 | 0.27 | 0.00 | 0.05 | 0.43 | 0.70 | 6,444,617 |

Table 163: 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 | 4.83 | 2.00 | 1.00 | 1.00 | 6.00 | 34.00 | 1,859,223 |
| Deviation from the Common TP in Each Period | 0.81 | 0.44 | 0.00 | 0.00 | 1.00 | 7.00 | 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) | 13.35 | 0.04 | 0.00 | 0.00 | 0.33 | 25.91 | 1,366,398 |
| 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) | 0.46 | 0.35 | 0.00 | 0.00 | 1.00 | 1.00 | 912,722 |
| 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 164: 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 | 4.82 | 2.00 | 1.00 | 1.00 | 5.00 | 39.00 | 2,033,556 |
| Deviation from the Common TP in Each Period | 0.73 | 0.00 | 0.00 | 0.00 | 1.00 | 7.00 | 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) | 9.04 | 0.04 | 0.00 | 0.00 | 0.39 | 28.11 | 1,317,304 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.17 | 0.68 | 1.00 | 958,212 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.36 | 0.00 | 0.00 | 1.00 | 1.00 | 850,114 |
| Firm Level Switching Rate | 0.30 | 0.25 | 0.00 | 0.00 | 0.50 | 0.86 | 2,033,556 |

Table 165: 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 | 11.40 | 6.00 | 1.00 | 2.00 | 16.00 | 61.00 | 357,069 |
| Deviation from the Common TP in Each Period | 0.95 | 0.60 | 0.00 | 0.00 | 1.00 | 10.00 | 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) | 18.22 | 0.03 | 0.00 | 0.00 | 0.12 | 6.50 | 284,311 |
| Market Drop/ Market Changes | 0.43 | 0.42 | 0.00 | 0.17 | 0.67 | 1.00 | 244,442 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.35 | 0.00 | 0.00 | 1.00 | 1.00 | 225,209 |
| 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).

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

Table 166: 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) | 8.93 | 0.08 | 0.00 | 0.00 | 0.94 | 36.15 | 859,079 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 592,788 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.25 | 0.00 | 0.00 | 1.00 | 1.00 | 520,608 |
| 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) | 10.14 | 0.00 | 0.00 | 0.00 | 0.18 | 19.32 | 959,474 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.00 | 0.69 | 1.00 | 534,170 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.27 | 0.00 | 0.00 | 1.00 | 1.00 | 458,829 |
| 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) | 12.33 | 0.14 | 0.00 | 0.00 | 1.00 | 59.96 | 1,810,689 |
| 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 | 0.00 | 1.00 | 1.00 | 1,206,301 |
| Firm Level Switching Rate | 0.32 | 0.33 | 0.00 | 0.19 | 0.47 | 0.69 | 2,795,198 |

Table 167: 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 | 5,363,292 |
| Number of Market Changes/ Number of Markets | 1.06 | 0.83 | 0.00 | 0.00 | 1.67 | 5.00 | 3,171,791 |
| Market Changes/ Markets (trade weighted) | 12.39 | 0.10 | 0.00 | 0.00 | 0.99 | 49.72 | 3,171,791 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.25 | 0.67 | 1.00 | 2,263,127 |
| Market Drop/ Market Changes (trade weighted) | 0.48 | 0.39 | 0.00 | 0.00 | 1.00 | 1.00 | 2,024,180 |
| Firm Level Switching Rate | 0.28 | 0.29 | 0.00 | 0.09 | 0.44 | 0.70 | 5,363,292 |
| Mixture | | | | | | | |
| Number of Destination Markets | 3.20 | 1.00 | 1.00 | 1.00 | 3.00 | 30.00 | 198,761 |
| Number of Market Changes/ Number of Markets | 0.45 | 0.00 | 0.00 | 0.00 | 0.67 | 3.00 | 148,983 |
| Market Changes/ Markets (trade weighted) | 0.26 | 0.00 | 0.00 | 0.00 | 0.03 | 2.27 | 148,983 |
| Market Drop/ Market Changes | 0.48 | 0.50 | 0.00 | 0.00 | 1.00 | 1.00 | 70,918 |
| Market Drop/ Market Changes (trade weighted) | 0.49 | 0.45 | 0.00 | 0.00 | 1.00 | 1.00 | 60,279 |
| Firm Level Switching Rate | 0.17 | 0.09 | 0.00 | 0.00 | 0.30 | 0.71 | 198,761 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 3.26 | 1.00 | 1.00 | 1.00 | 3.00 | 29.00 | 882,564 |
| Number of Market Changes/ Number of Markets | 0.66 | 0.40 | 0.00 | 0.00 | 1.00 | 4.00 | 573,588 |
| Market Changes/ Markets (trade weighted) | 4.79 | 0.00 | 0.00 | 0.00 | 0.18 | 19.59 | 573,587 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.08 | 0.73 | 1.00 | 318,067 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.33 | 0.00 | 0.00 | 1.00 | 1.00 | 275,943 |
| Firm Level Switching Rate | 0.21 | 0.15 | 0.00 | 0.00 | 0.38 | 0.71 | 882,564 |

Table 168: 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) | 8.45 | 0.07 | 0.00 | 0.00 | 0.88 | 43.38 | 2,941,997 |
| 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) | 0.48 | 0.38 | 0.00 | 0.00 | 1.00 | 1.00 | 1,826,215 |
| 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) | 4.83 | 0.00 | 0.00 | 0.00 | 0.29 | 18.15 | 43,147 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.11 | 0.80 | 1.00 | 23,635 |
| Market Drop/ Market Changes (trade weighted) | 0.50 | 0.47 | 0.00 | 0.00 | 1.00 | 1.00 | 20,007 |
| 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) | 27.75 | 0.01 | 0.00 | 0.00 | 0.53 | 33.86 | 380,726 |
| Market Drop/ Market Changes | 0.47 | 0.50 | 0.00 | 0.20 | 0.67 | 1.00 | 230,929 |
| Market Drop/ Market Changes (trade weighted) | 0.48 | 0.37 | 0.00 | 0.00 | 1.00 | 1.00 | 200,933 |
| Firm Level Switching Rate | 0.23 | 0.22 | 0.00 | 0.00 | 0.38 | 0.67 | 612,283 |

Table 169: By Industries (Median)
Trade patterns are calculated at the firm-product(8-digit HS)-year level

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|-----------|
| 1-5 Live animals; animal products | 0.00 | 0.00 | 0.50 | 0.52 | 0.06 | 46,674 |
| 6-14 Vegetable products | 0.00 | 0.00 | 0.50 | 0.41 | 0.06 | 143,855 |
| 15 Animal/vegetable fats | 0.00 | 0.00 | 0.50 | 0.38 | 0.00 | 2,809 |
| 16-24 Prepared foodstuffs | 0.00 | 0.00 | 0.50 | 0.39 | 0.03 | 90,557 |
| 25-27 Mineral products | 0.21 | 0.00 | 0.50 | 0.47 | 0.08 | 36,347 |
| 28-38 Products of chemical and allied industries | 0.64 | 0.04 | 0.50 | 0.42 | 0.25 | 413,418 |
| 39-40 Plastics/rubber articles | 0.86 | 0.10 | 0.50 | 0.39 | 0.32 | 434,031 |
| 41-43 Rawhides/leather articles, furs | 1.00 | 0.13 | 0.50 | 0.43 | 0.33 | 186,825 |
| 44-46 Wood and articles of wood | 0.67 | 0.03 | 0.50 | 0.41 | 0.23 | 133,502 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.83 | 0.07 | 0.50 | 0.31 | 0.29 | 166,141 |
| 50-63 Textile and textile articles | 0.67 | 0.05 | 0.50 | 0.37 | 0.25 | 1,695,906 |
| 64-67 Footwear, headgear, etc. | 0.90 | 0.11 | 0.50 | 0.44 | 0.33 | 210,107 |
| 68-70 Misc. manufactured articles | 0.80 | 0.08 | 0.50 | 0.39 | 0.28 | 246,331 |
| 71 Precious or semiprec. stones | 0.83 | 0.07 | 0.50 | 0.31 | 0.22 | 26,790 |
| 72-83 Base metals and articles of base metals | 0.75 | 0.07 | 0.50 | 0.38 | 0.29 | 702,841 |
| 84-85 Machinery and mechanical appliances, etc. | 0.67 | 0.04 | 0.50 | 0.34 | 0.29 | 1,005,104 |
| 86-89 Vehicles, aircraft, etc. | 0.75 | 0.06 | 0.50 | 0.33 | 0.30 | 127,923 |
| 90-92 Optical, photographic, etc. | 0.71 | 0.06 | 0.50 | 0.40 | 0.29 | 193,278 |
| 93 Arms and ammunition | 1.00 | 0.17 | 0.50 | 0.34 | 0.45 | 749 |
| 94-96 Articles of stone, plaster, etc. | 0.91 | 0.11 | 0.50 | 0.43 | 0.33 | 575,118 |
| 97+ Others | 0.51 | 0.01 | 0.50 | 0.43 | 0.08 | 7,660 |

(b) 2-digit Results

Table 170: 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) | 6.74 | 0.06 | 0.00 | 0.00 | 0.53 | 27.50 | 349,394 |
| Market Drop/ Market Changes | 0.42 | 0.40 | 0.00 | 0.11 | 0.67 | 1.00 | 258,665 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.23 | 0.00 | 0.00 | 1.00 | 1.00 | 225,746 |
| 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) | 5.32 | 0.00 | 0.00 | 0.00 | 0.12 | 11.13 | 436,475 |
| Market Drop/ Market Changes | 0.44 | 0.44 | 0.00 | 0.00 | 0.69 | 1.00 | 279,256 |
| Market Drop/ Market Changes (trade weighted) | 0.45 | 0.27 | 0.00 | 0.00 | 1.00 | 1.00 | 241,917 |
| 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) | 13.63 | 0.09 | 0.00 | 0.00 | 0.59 | 49.55 | 449,110 |
| Market Drop/ Market Changes | 0.49 | 0.50 | 0.00 | 0.25 | 0.75 | 1.00 | 356,845 |
| Market Drop/ Market Changes (trade weighted) | 0.50 | 0.48 | 0.00 | 0.00 | 1.00 | 1.00 | 325,144 |
| Firm Level Switching Rate | 0.39 | 0.43 | 0.00 | 0.00 | 0.67 | 0.86 | 632,064 |

Table 171: 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 | 1,688,682 |
| Number of Market Changes/ Number of Markets | 1.00 | 0.71 | 0.00 | 0.20 | 1.20 | 6.33 | 1,070,795 |
| Market Changes/ Markets (trade weighted) | 10.67 | 0.06 | 0.00 | 0.00 | 0.49 | 33.41 | 1,070,795 |
| Market Drop/ Market Changes | 0.46 | 0.50 | 0.00 | 0.17 | 0.67 | 1.00 | 808,900 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.37 | 0.00 | 0.00 | 1.00 | 1.00 | 720,517 |
| Firm Level Switching Rate | 0.31 | 0.33 | 0.00 | 0.00 | 0.57 | 0.86 | 1,688,682 |
| Mixture | | | | | | | |
| Number of Destination Markets | 5.17 | 2.00 | 1.00 | 1.00 | 5.00 | 42.00 | 64,537 |
| Number of Market Changes/ Number of Markets | 0.48 | 0.36 | 0.00 | 0.00 | 0.71 | 3.00 | 50,226 |
| Market Changes/ Markets (trade weighted) | 0.14 | 0.00 | 0.00 | 0.00 | 0.03 | 1.34 | 50,226 |
| Market Drop/ Market Changes | 0.45 | 0.44 | 0.00 | 0.00 | 0.80 | 1.00 | 30,025 |
| Market Drop/ Market Changes (trade weighted) | 0.47 | 0.35 | 0.00 | 0.00 | 1.00 | 1.00 | 25,957 |
| Firm Level Switching Rate | 0.23 | 0.00 | 0.00 | 0.00 | 0.50 | 0.86 | 64,537 |
| Processing Trade | | | | | | | |
| Number of Destination Markets | 4.83 | 2.00 | 1.00 | 1.00 | 5.00 | 41.00 | 280,337 |
| Number of Market Changes/ Number of Markets | 0.62 | 0.43 | 0.00 | 0.00 | 0.83 | 4.00 | 196,283 |
| Market Changes/ Markets (trade weighted) | 2.40 | 0.00 | 0.00 | 0.00 | 0.09 | 10.67 | 196,283 |
| Market Drop/ Market Changes | 0.45 | 0.50 | 0.00 | 0.00 | 0.75 | 1.00 | 119,287 |
| Market Drop/ Market Changes (trade weighted) | 0.46 | 0.32 | 0.00 | 0.00 | 1.00 | 1.00 | 103,640 |
| Firm Level Switching Rate | 0.24 | 0.00 | 0.00 | 0.00 | 0.50 | 0.86 | 280,337 |

Table 172: By Industries (Median)
Trade patterns are calculated at the firm-sector(2-digit HS)-year level

| | Market Changes / Markets | Value Measure | Market Drops / Market Changes | Value Measure | Firm Level Switching Rate | Obs. |
|--|-----------------------------|------------------|----------------------------------|------------------|---------------------------------|---------|
| 1-5 Live animals; animal products | 0.40 | 0.00 | 0.50 | 0.46 | 0.00 | 20,807 |
| 6-14 Vegetable products | 0.33 | 0.00 | 0.50 | 0.43 | 0.00 | 67,079 |
| 15 Animal/vegetable fats | 0.33 | 0.00 | 0.50 | 0.34 | 0.00 | 2,302 |
| 16-24 Prepared foodstuffs | 0.25 | 0.00 | 0.50 | 0.38 | 0.00 | 51,767 |
| 25-27 Mineral products | 0.45 | 0.00 | 0.50 | 0.40 | 0.00 | 21,617 |
| 28-38 Products of chemical and allied industries | 0.62 | 0.04 | 0.50 | 0.37 | 0.25 | 146,275 |
| 39-40 Plastics/rubber articles | 0.67 | 0.05 | 0.50 | 0.34 | 0.33 | 153,920 |
| 41-43 Rawhides/leather articles, furs | 0.75 | 0.06 | 0.50 | 0.44 | 0.33 | 75,491 |
| 44-46 Wood and articles of wood | 0.67 | 0.03 | 0.50 | 0.42 | 0.25 | 62,147 |
| 47-49 Pulp of wood/other fibrous cellulosic material | 0.75 | 0.06 | 0.50 | 0.32 | 0.25 | 75,932 |
| 50-63 Textile and textile articles | 0.67 | 0.04 | 0.50 | 0.36 | 0.25 | 353,130 |
| 64-67 Footwear, headgear, etc. | 0.80 | 0.07 | 0.50 | 0.43 | 0.33 | 97,680 |
| 68-70 Misc. manufactured articles | 0.75 | 0.06 | 0.50 | 0.38 | 0.33 | 110,541 |
| 71 Precious or semiprec. stones | 0.80 | 0.06 | 0.50 | 0.31 | 0.17 | 16,984 |
| 72-83 Base metals and articles of base metals | 0.67 | 0.04 | 0.50 | 0.33 | 0.25 | 248,422 |
| 84-85 Machinery and mechanical appliances, etc. | 0.59 | 0.02 | 0.40 | 0.27 | 0.29 | 231,758 |
| 86-89 Vehicles, aircraft, etc. | 0.67 | 0.03 | 0.43 | 0.32 | 0.33 | 46,603 |
| 90-92 Optical, photographic, etc. | 0.67 | 0.04 | 0.50 | 0.37 | 0.33 | 66,768 |
| 93 Arms and ammunition | 0.88 | 0.11 | 0.50 | 0.30 | 0.33 | 474 |
| 94-96 Articles of stone, plaster, etc. | 0.75 | 0.06 | 0.50 | 0.41 | 0.33 | 178,790 |
| 97+ Others | 0.50 | 0.00 | 0.50 | 0.33 | 0.00 | 5,069 |

D.2 Regression Results

Table 173: Change in Unit Value to Drop-Change Ratio
8-digit results: Trade patterns are calculated at the firm-product-year level

| VARIABLES | (1) | (2) | (3) |
|-----------------------------|-------------------|-------------------|-------------------|
| | Unit Value | Unit Value | 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 174: Change in Unit Value to Drop-Change Ratio
2-digit results: Trade patterns are calculated at the firm-sector-year level

| VARIABLES | (1) | (2) | (3) |
|-----------------------------|--------------------|-------------------|-------------------|
| | Unit Value | Unit Value | 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 175: 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 176: 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 177: 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 178: 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 179: 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 180: 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 181: 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 182: 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 183: 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 184: 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 185: 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 186: 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.