

# **Regional Variations in Productivity Premium of Exporters: Evidence from Japanese Plant-level Data**

Toshihiro Okubo<sup>#</sup> (Faculty of Economics, Keio University)

Eiichi Tomiura<sup>\*</sup> (Department of Economics, Yokohama National University)

## **Abstract**

One well established fact is that exporters tend to be more productive than non-exporters with the standard explanation being selection effects linked to the fixed cost of exporting. This paper exploits a novel dataset to examine the role of fixed-cost selection effects. Japanese plant-level data show the export premium for rural plants but not for urban plants. We document that firms in the urban areas have superior access to wholesale traders who reduce fixed export costs. Thus we find the export premium where export costs are high but none where they are low. This provides support for the selection-fixed-cost nexus which is at the heart of the Melitz model.

**Keywords:** productivity; exporter; plant-level data; trade intermediation; core-periphery structure

**JEL Classifications:** F1; R12; L25

---

<sup>#</sup> Faculty of Economics, Keio University. E-mail: okubo@econ.keio.ac.jp

<sup>\*</sup> Department of Economics, Yokohama National University. E-mail: tomiura@ynu.ac.jp