

From Production Pioneer to Export Pioneer

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Abstract

The first firm to produce (export) a new product for a country is called production pioneer (export pioneer). In this paper, we examine how production pioneers are born and how they lead to the birth of export pioneers, utilizing a rich plant-product matched dataset for Indonesia during 2000-2012. The creation of export pioneers is important for economic growth because they contribute to expanding the export basket, i.e., increasing the number of export products. Main empirical results are as follows. Foremost, we find that existing globally engaged plants, through importing or exporting, play an important role in the birth of production pioneers and export pioneers. Second, existing production pioneers in particular, as well as existing production followers (i.e., second and subsequent producers), tend to become export pioneers. However, somewhat surprisingly, most (about 87 percent) export pioneers start production and exporting of a new product in the same year, which shows that most export pioneers do not require production experience in the domestic market prior to their exporting.

Keywords: Pioneer; Indonesia; Export

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