The Effect of Export Controls: Evidence from Japanese Customs Data*

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Abstract

Export controls restrict trade in dual-use goods through technical thresholds that are revised almost every year, yet little is known about who bears the compliance burden. Using the universe of Japan's export declarations from 2014 to 2023, in which every licensed transaction carries a control-list code, we translate each revision into product-level treatments and estimate tightening and relaxation as separate arms in a stacked event-study design. The answer is asymmetric. Tightening produces no detectable adjustment among incumbent exporters, while relaxation activates exports—a benefit accruing almost entirely to small firms, whose shipments become more frequent while shipment size is roughly unchanged. The evidence points to compliance costs operating as per-shipment and fixed costs: sunk for incumbents, binding for small firms, and regressive in firm size—but visible only when the cost is removed, not when it is imposed.

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