

Online Appendix

“Within-Industry Specialization and Global Market Power”

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This appendix presents four additional tables, described below:

1. Table 1 provides a summary of the variables in the Colombian transaction-level import data, used in Section 3.
2. Table 2 reports the estimated demand elasticities and quality intensities by WIOD industries (each reported parameter is an average of all the HS10-level estimates pertaining to a given WIOD industry). The estimation procedure is described in Section 3 of the main text.
3. Table 3 reports the relationship between quality intensity (ρ) and the demand elasticity (ε) *across* industries. It complements Table 4 (in the main text) that reports the same relationship *within* industries.
4. Table 4 reports the within-industry relationship between quality intensity (ρ) and the demand elasticity (ε) in *levels*. It complements Table 4 (in the main text) that reports the same relationship in *logs*.

Table 1: Summary Statistics of the Colombian Import Data.

Statistic	Year						
	2007	2008	2009	2010	2011	2012	2013
f.o.b. value (billion dollars)	30.77	37.26	31.39	38.41	52.00	55.79	56.92
$\frac{\text{c.i.f. value}}{\text{f.o.b. value}}$	1.08	1.07	1.05	1.06	1.05	1.05	1.05
$\frac{\text{c.i.f.} + \text{tax value}}{\text{f.o.b. value}}$	1.28	1.21	1.14	1.19	1.15	1.18	1.15
No. of exporting countries	210	219	213	216	213	221	224
No. of imported varieties	483,286	480,363	457,000	509,524	594,918	633,008	649,561

Notes. Tax value includes tariff and value-added tax. The number of varieties indexes the number of country-firm-product combination in a given year.

Table 2: Average demand elasticity and quality intensity across traded sectors.

Sector	ISIC4 codes	LIML		2SLS		OLS	
		ε_z	ρ_z	ε_z	ρ_z	ε_z	ρ_z
Agriculture & Mining	100-1499	3.94	0.57	3.55	0.58	1.90	0.69
Food	1500-1699	5.17	0.49	5.51	0.52	1.86	0.65
Textiles, Leather & Footwear	1700-1999	2.93	0.58	3.32	0.62	1.16	0.80
Wood	2000-2099	1.78	0.59	1.69	0.61	1.04	0.80
Paper	2100-2099	2.39	0.49	2.48	0.51	1.36	0.69
Petroleum	2300-2399	1.61	0.51	1.74	0.55	1.19	0.71
Chemicals	2400-2499	2.67	0.55	2.62	0.58	1.33	0.72
Rubber & Plastic	2500-2599	2.47	0.57	2.57	0.60	0.98	0.82
Minerals	2600-2699	2.59	0.59	2.10	0.62	1.03	0.82
Basic & Fabricated Metals	2700-2899	2.92	0.53	2.89	0.56	1.20	0.74
Machinery	2900-3099	1.73	0.62	1.54	0.67	0.73	0.84
Electrical & Optical Equipment	3100-3399	1.91	0.66	1.80	0.69	0.58	0.88
Transport Equipment	3400-3599	2.60	0.49	2.96	0.52	0.60	0.85
N.E.C. & Recycling	3600-3799	1.93	0.60	2.15	0.64	0.82	0.87

Table 3: The across-industry relationship between ρ_z and $\bar{\varepsilon}_z$

Regressor	<i>Dependent: trade elasticity</i>			<i>Dependent: quality intensity</i>		
	OLS	2SLS	LIML	OLS	2SLS	LIML
demand elasticity, $\log \bar{\varepsilon}_z$	0.619*** (0.042)	0.323*** (0.046)	0.208*** (0.046)	-0.152*** (0.020)	-0.146*** (0.021)	-0.097*** (0.020)
Observations	1,851	435	516	1,851	435	516
R-Squared	0.18	0.10	0.05	0.05	0.10	0.19

Table 4: The relationship between ρ_z and $\bar{\varepsilon}_z$ in levels

Regressor	<i>Dependent: trade elasticity</i>			<i>Dependent: quality intensity</i>		
	OLS	2SLS	LIML	OLS	2SLS	LIML
demand elasticity, $\bar{\varepsilon}_z$	0.297*** (0.013)	0.290*** (0.043)	0.151*** (0.039)	-0.025*** (0.002)	-0.015*** (0.003)	-0.009*** (0.003)
Observations	1,851	435	516	1,851	435	516
No. of SIC Industry FE	95	52	63	95	52	63
R-Squared	0.40	0.28	0.18	0.42	0.27	0.19