

Export Prices of US Firms

(with Xiangjun Ma and Victor Shlychkov)

Abstract :

Using confidential firm-level data from the United States in 2002, we show that exporting firms charge prices for narrowly defined goods that differ substantially with the characteristics of firms and export markets. We control for selection into export markets using a three-stage estimator. We have three main results. First, we find that highly productive and skill-intensive firms charge higher prices, while capital-intensive firms charge lower prices. Second, U.S. firms charge slightly higher prices to larger and richer markets, and substantially higher prices to markets other than Canada and Mexico. Third, the correlation between distance and product-level export prices is largely due to a composition effect.