

DISCUSSION OF BRICONGE, FONTAGNE,
GAULIER, TAGLIONI AND VICARD

“FIRMS AND THE GLOBAL CRISIS:
FRENCH EXPORTS IN THE TURMOIL”

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SUMMARY

Paper analyzes monthly observations on French exports, by country and commodity, over the 2006-2009 period

Decomposes data into extensive (entry and exit by destination and product) and intensive (change in volume of export) margins

Regression of growth rate of firm exports (by destination and product) on determinates of trade:

- demand for French imports
- crisis dummy
- measures of financial constraints
- country and time fixed effects

MAIN RESULTS

Most of the contraction of trade in the crisis is on the intensive margin (change in the volume of exports) by large firms

Small and large firms contracted proportionally

Exporters of intermediate goods and equipment suffered largest declines

Some evidence of financial constraints playing a role

COMMENTS

Like the paper very much. Interesting data. Sensible description of the data. Run the obvious econometric tests.

Main suggestions are to get more information (hope you take this as a compliment – paper makes me curious and want more information)

Specific suggestions:

1. Paper looks at exports in isolation. Did exports fall because demand for those exports fell, or because production by those firms fell? Can you combine this data with other firm- or sector-level data on production, sales and employment to compare drop in exports with drop in economic activity in France?
2. Is monthly frequency the right interval for thinking about extensive margin? Could be confusing lumpiness in shipping with entry and exit and this could vary by sector. Annual data presented in the appendix seems much more reasonable.

3. When reporting “entry” by a firm in a country or product market, does that mean first ever entry in the market, or re-entry relative to some previous period? Again, if shipments are lumpy, then firm may only ship at intervals. If they’ve shipped to a market in some previous period, should that be coded as a new entry?
4. Would be useful to obtain data on actual firm exits (i.e. bankruptcy or reorganization of the firm). Did they leave a particular market, or did they leave all markets? Did this change during the crisis?
5. Interesting data on default to creditors. Would be interesting to know more about these firms. Large firms or small firms? Concentrated in a particular sector? Also interesting that the firms in default to trade creditors did not change much during the crisis.

Overall, very interesting paper. Results contribute to the growing empirical literature on the factors underlying the global collapse of trade in 2008.