Appendix (Not for Publication)

A. About matching different data sets

We match the NBS and the ODI data by firm names. In particular, firms with identical names in both dataset or with slight variations in their names, such as a bracket or an abbreviation, were linked together. During the matching process, we encounter several cases that we test separately, here is the summary:

1. subsidiary: means one company is the other one's subsidiary company (子公司).

2. location: means the names of two companies are the same, but they are in different places. For example, 恒基光伏电力科技股份有限公司 and 浙江恒基光伏电力科技股份有限公司 should be the same, and the latter indicates the location "浙江".

3. word: The two companies' names are the same except for a tiny difference. For example, "小护士天津实业发展股份有限公司" and "天津小护士实业发展股份有限公司" are very likely to be the same.

4. stock: one of the company is Joint Stock Limited Liability Company and the other one is Limited Liability Company.

5. group: One of the company is the name of a Group Corporations Co Ltd, the other one belongs to this group.

6. new: One is ABC company, but the other one's name is new ABC company. For example, 宁波新海太塑料机械有限公司 and 宁波海太塑料机械有限公司 might be the same company.

7. two of the companies are subsidiary companies of a same company or belong to a same group Group Corporations Co Ltd.

8. Plant: one company is one of the plants of the other company.

B. Different types of traded goods

- We use the UN BEC list of capital goods (at the HS6 level) to identity any imports and exports of capital good. Then we use that to compute the share of value of capital goods in total export (and import) value.

- For raw material, we use the WB's WITS classifications (http://wits.worldbank.org/wits/data_details.html) under HS Standard Product Groups and the listing of raw materials (WTO-SoP1: Raw materials). We use the concordance from the UN to match each SITC3 to unique HS1 and HS2.

- For labor intensity of industries, we use UNCTAD's definition (http://unctadstat.unctad.org/UnctadStatMetadata/Classifications/Methodology&Classifications.html) under SITC Revision 3. The first category is labor-intensive. We use the concordance from the UN to match each SITC3 to unique HS1 and HS2.