

Big Hits in Exports: Growing by Leaps and Bounds

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Abstract

This paper identifies sudden export surges at the origin-destination-product level, combining international trade statistics with firm-level customs data for eight developing and emerging countries. These “big hits” are rare events (fewer than one percent of all export spells), yet account for over half of aggregate export growth in all countries in the sample except one. Big hits have a ratchet effect on export value: post take-off growth reverts roughly to its baseline rate, while export values remain permanently higher. They seem to be neither purely demand-driven nor purely supply-driven; however, a big hit in one product-destination cell makes it eight times likelier that the same product will be a big hit in any other destination. Big hits typically generate strong bandwagon effects across firms, but the crowding-in does not systematically lead to price collapses, as big hits seem to associate with less negative pecuniary externalities between exporters. A firm involved in a big hit is 25 times more likely to be associated with a big hit of the same product in a different