



International trade and domestic competition : evidence from Belgium .

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ABSTRACT

In this paper we study empirically the effect of domestic market structure on the firm's propensity to export. We use a panel comprising 13,495 firms registered in Belgium during the period 2003-2008, covering all sectors of the Belgian economy. We find a positive correlation between domestic market concentration and export performance of national firms, thus competition appears to spur national leading firms to exploit economies of scale by increasing their sales abroad. This effect may be sustained by increased labor productivity and by a higher degree of heterogeneity among firms in a given sector.

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