EBR Special Issue Foreword

Sizable empirical research in international trade literature in the last decade and a half related to the issue of performance of firms engaged in multinational activities. Studies of multinational firms documented superior peformance of firms that are part of a multinational company by highlighting ownership specific advantages. New vawe of empirical research then started to unveil significant differences between exporters and firms serving domestic markets only. This work was formalized by the number of theoretical models in the tradition of Melitz (2003) with heterogeneous firms and randomly assigned productivities.

A number of issues in the field remained unresolved or require further research. These issues involve the existence of learning-by-exporting, proper measuring of productivity premia, study of firms' extensive export margins, impact of imports on firm performance and export scope, differences in export behavior of manufacturing and services firms, relationship between engagement in international trade and financial constraints, etc.

This special issue explores further some of these issues. Anže Burger, Črt Kostevc and Sašo Polanec study the theoretical foundations for proper productivity measurement of internationalized firms. Alexander Vogel and Joachim Wagner investigate some new econometric techniques for robust estimations of exporter productivity premia. László Halpern and Balázs Muraközy study the relationship between firm size and extensive margin of Hungarian exporters. Tanja Grublješič and Jože Damijan investigate differences in export behavior of services and manufacturing firms in Slovenia. John Romalis explores proper valuation of foreign ownership. Finally, Arjana Brezigar-Masten, Fabrizio Coricelli and Igor Masten study financial integration and financial development in transition economies and the implications of financial crises.

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