The Division of Economics and the Economic Growth Centre cordially invite you to a seminar by Dr. Yi Daniel Xu

**Speaker**: Dr. Yi Daniel Xu  
*Kathleen Kaylor and G. Richard Wagoner Jr. Assistant Professor of Economics*  
*Duke University*

**Topic**: "A Structural Model of Demand, Cost, and Export Market Selection for Chinese Footwear Producers"

**Chairperson**: Asst Prof Laura Wu Guiying  
*Division of Economics*  
*School of Humanities & Social Sciences*  
*Nanyang Technological University*

**Date**: Wednesday, 7 May 2014  
**Time**: 2.30 pm - 4:00 pm  
**Venue**: HSS Meeting Room 5 (HSS-04-89)  
*Nanyang Technological University*  
*School of Humanities and Social Sciences*  
*14, Nanyang Drive*  
*Singapore 637332*

**About the Speaker:**

Dr. Yi Daniel Xu is the Kathleen Kaylor and G. Richard Wagoner Jr. Assistant Professor of Economics at Duke University. He obtained his PhD degree in economics from Penn State University and worked at New York University prior to joining Duke. His research interests are empirical studies of productivity, trade, and industry dynamics. Dr. Xu has publications on leading journals such as American Economic Review, Rand Journal of Economics and Review of Economic Dynamics. He also serves as an associate editor of the Journal of Industrial Economics and is a faculty research fellow at NBER in the productivity, innovation, and entrepreneurship group.

**Abstract:**

In this paper we use micro data on both trade and production for a sample of large Chinese manufacturing firms in the footwear industry from 2002-2006 to estimate an empirical model of export demand, pricing, and market participation by destination market. We use the model to construct indexes of firm-level demand, cost, and export market profitability. The empirical results indicate substantial firm heterogeneity in both the demand and cost dimensions with demand being more dispersed. The firm-specific demand and cost components are very useful in explaining differences in the extensive margin of trade, the length of time a firm exports to a destination, and the number and mix of destinations, as well as the export prices, while cost is more important in explaining the quantity of firm exports on the intensive margin. We use the estimates to analyze the reallocation resulting from removal of the quota on Chinese footwear exports to the EU and find that it led to a rapid restructuring of export supply sources in favor of firms with high demand and low cost indexes.

**Reservation:**

Admission is free. Please reply to Director-EGC, e-mail: d-egc@ntu.edu.sg to confirm your attendance.