

CompNet

The Competitiveness Research Network

CompNet annual conference

Filippo di Mauro
Chairman of CompNet

Virtual Conference
ECB, CompNet IMF and IWH
22nd September, 2020

CompNet mandate

1. We were born in 2012 as a Eurosystem initiative at the ECB with a double mandate:
 - Forum for research on productivity/competitiveness
 - Generating novel indicators on productivity drivers, which are firm-level based.
2. Since early 2017, we are a self-managed Network
 1. Financially supported by ECB, EU Commission, EIB, EBRD and two Productivity boards (France Strategy and German Council of Economic Experts).
 2. Technical support and management comes from IWH-Halle and the ECB.

➔ Thanks very much to all members for their support and the Scientific Team for their excellent work
3. Among data providers, in addition to several National Central banks, we can count on an increasing number of Statistical institutes (10).

➔ we constantly improve the quality of the dataset, which is widely recognised as top standard.

CompNet output so far this year

Conferences and events

- Three virtual conferences, of which you can find the details [here](#)
- Initiated the **CompNet ProdTalks**: short virtual monthly events in which two papers are presented and discussed. (look at our [website](#)). Please submit to our call for papers.

Research

- We participated to the Covid debate by re-launching the **CompNet Policy Brief series**, (see last two contributions: [EU firms participation in GVC: Bliss or curse after COVID?](#), by Altomonte, di Mauro and Inferrera & [Back to the future: The forward-looking consequences of COVID-19 across EU regions](#), by Altomonte, Ottaviano and Coali).
- We launched the 7th Vintage dataset in April, and published our flagship “[Firm productivity report](#)” in June with a special chapter co-authored by prof. Melitz to be presented later on.
- We have 100+ teams using our data for research purposes and many institutions for policy work

The 7th Vintage of the CompNet Dataset - variables

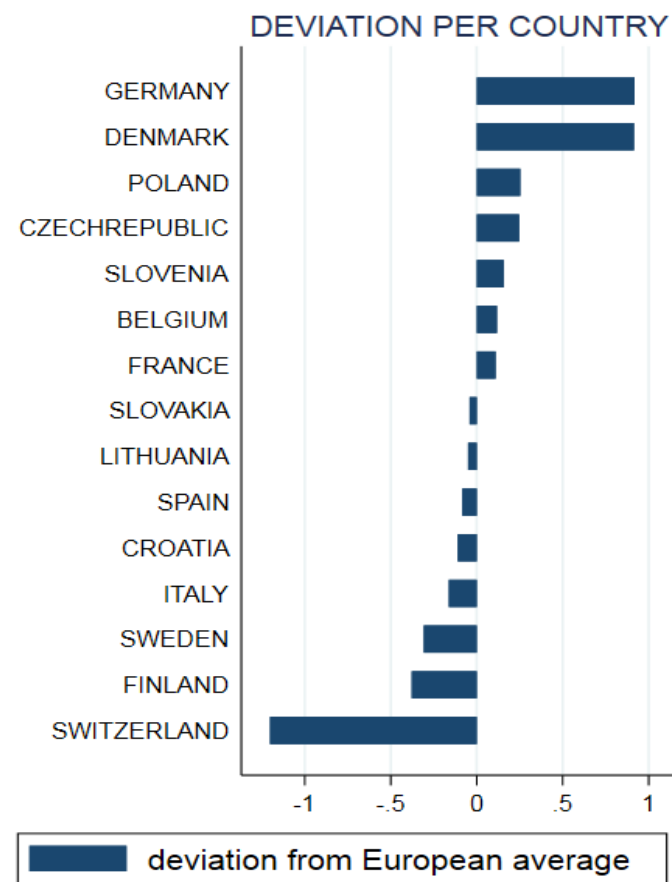
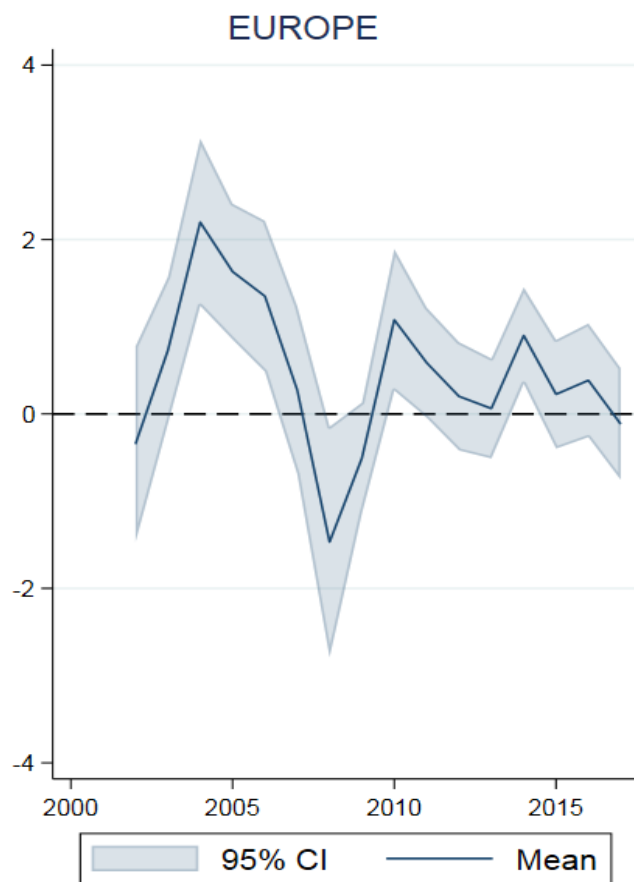
Productivity	Financial	Trade	Competition	Labour	Others
Labour productivity	Investment ratio	% established exporters	Price-cost margins	% of high growth firms	Energy costs
VA and revenue TFP, various estimation techniques	ROA, Cash-holdings, Leverage	% occasional exporters	Mark-Ups, various estimation techniques	% of firms that change employment b/w t and t+3 (t+1)	Share of entry and exits from the market
ULC	Financing gap	Export intensity	Herfindal-Index	Job creation and job destruction rates	Public vs private ownership
Firm size	Collateral	Characteristics of top exporters	Concentration of sales in top 10 firms	Wage premium (proxy for human capital)	Legal form
Capital Intensity	Equity to Debt	Characteristics of 2-way traders			Foreign ownership
Marginal revenue productivity of inputs	Cash Flow	Exports by destination (intra- vs extra-EU)			
Static and dynamic allocative efficiency	Interest coverage ratio				
	Trade Credit/Debt				
	Debt Burden				
	Credit constraint index				
	Zombie firms				

NEW VARIABLES

On top of that, we collect:

- Several **moments of the unconditional distributions** of these variables
- Plenty of **joint distributions**: e.g. distribution of productivity for zombie vs non-zombie firms

Our contribution: TFP growth



- Growth of TFP within sectors has further slowed-down lately. The trend is quite homogeneous across countries, with just a few deviating from the average.
- E.g. in Germany and Denmark, TFP growth was on average **almost one percentage point higher**

Our value added in a nutshell (1)

→ Distribution matters!

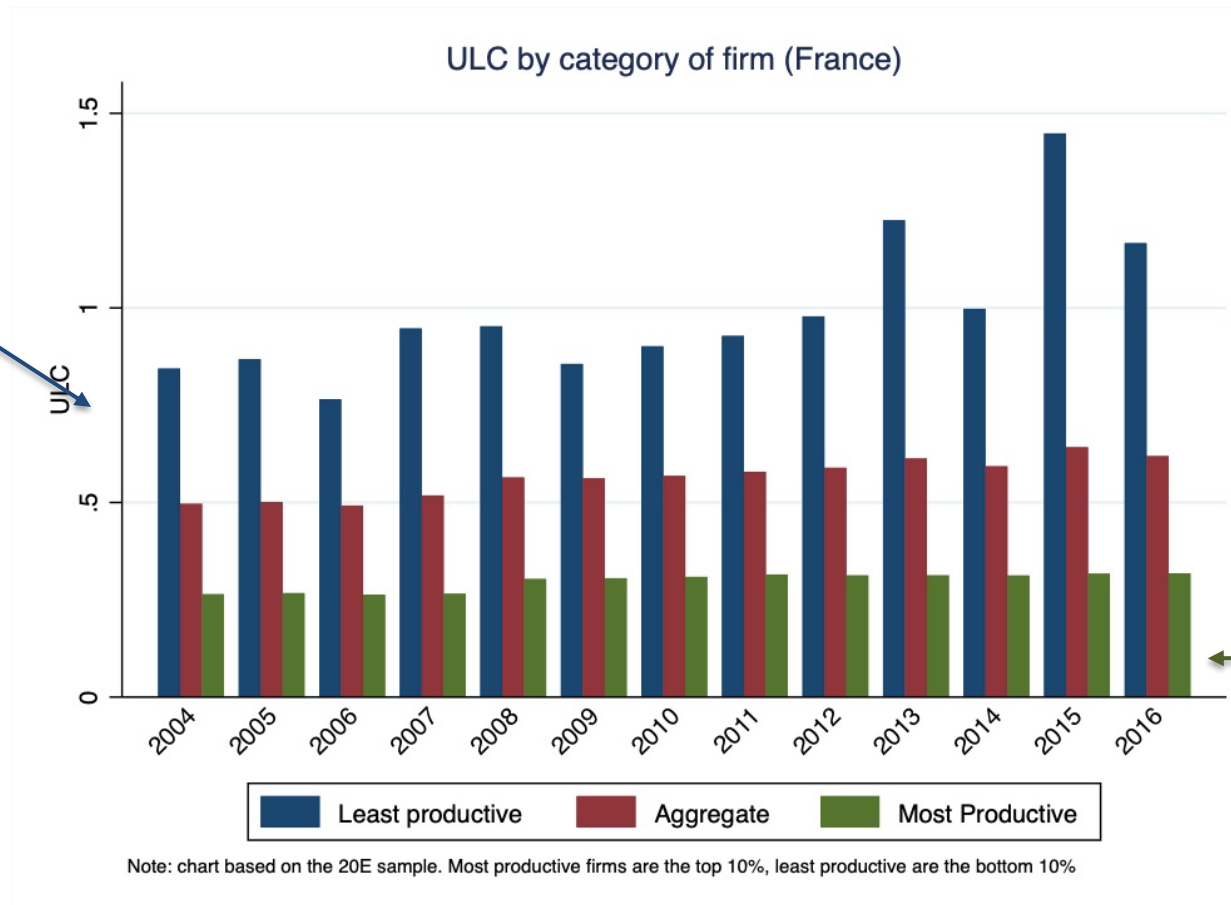
→ An example from France.

○ **On average**, the Unit labor Cost (ULC) kept growing during the last years. Loss in competitiveness

○ The drivers were the LEAST productive firms. It is NOT a problem for the most productive ones

→ **Average based policies** would be misleading and CompNet helps uncover how distribution varies across countries

Least Productive



Most Productive

Our value added in a nutshell (2)

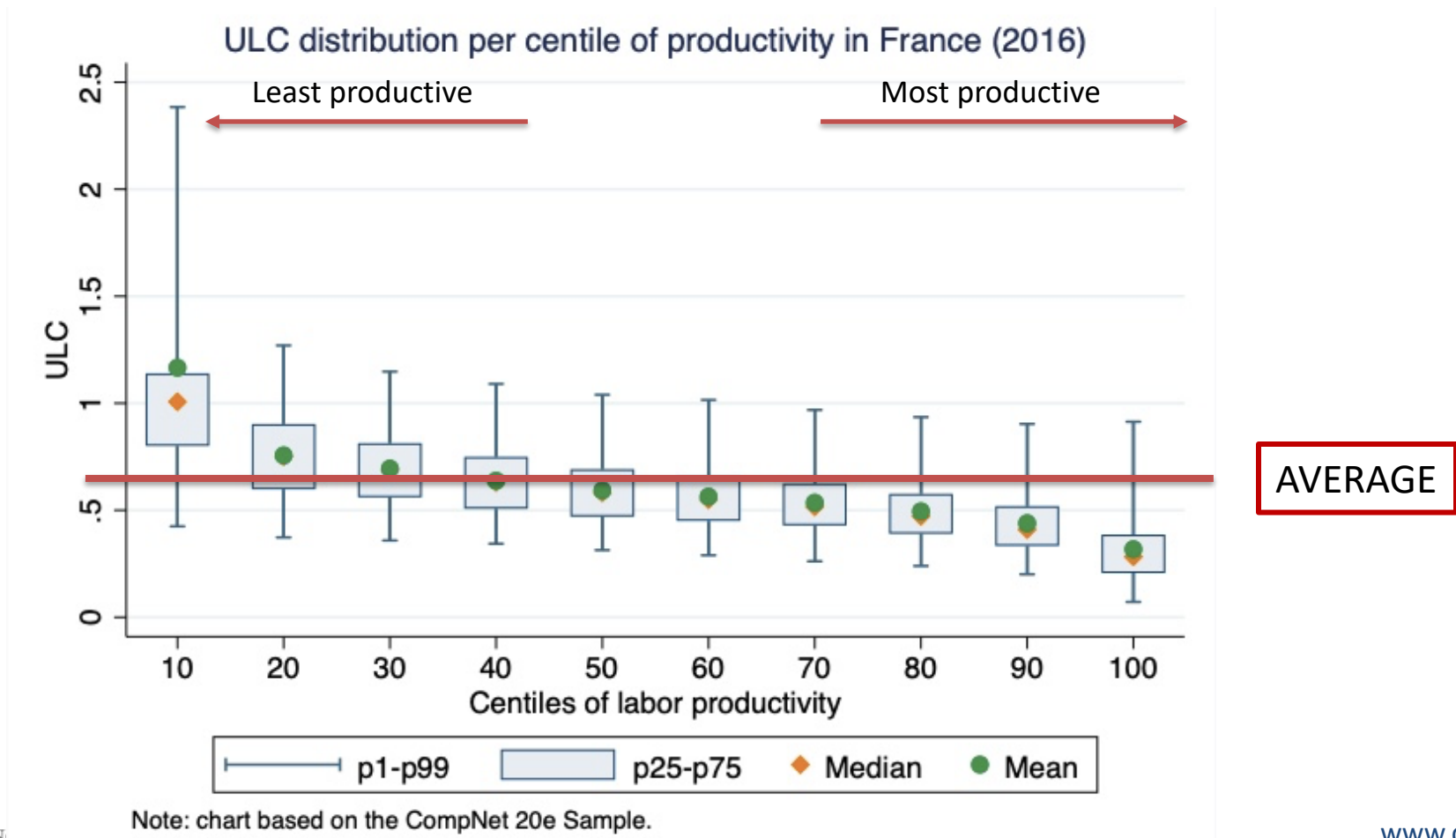
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Thank you for your
attention and enjoy
the conference!