Newsletter No. 28

Foreword by CompNet Chairman Filippo di Mauro

Dear Friends of the Competitiveness Research Network,

We are already approaching mid-2019 and I wanted to thank all affiliated institutions and their staff for a hugely successful start of the year and summarise what we did so far and plan to do next.

Last March we held our 8th Annual event in Luxembourg; it was jointly organised with EIB/ENRI, IMF and IWH and the topic was the interaction between market power and productivity. Attendance by top academics was remarkable and the discussion was outstanding. In May, we gathered the colleagues from our data provider institutions to set the stage for the forthcoming new vintage of the CompNet dataset to be launched at the end of summer. Sharing their issues and suggestions ensures that we constantly improve our dataset and the economic research we use it for. This is a great benefit of working as a network.

In that occasion we have also consolidated collaboration with the newly started EU financed MICROPROD project (link to website) which shares with CompNet the objective of improving the micro based data infrastructure and related research on productivity.

In addition, providing micro-econometrics training for our members continues to be priority and we held introductory sessions at the European Commission last May to be followed by others later this year. As usual, we will have an advanced course at the Tinbergen Institute next July led by Eric Bartelsman and Jan de Loecker.

Going forward this year, 8th – 9th October we will hold at France Stratégie in Paris the first Forum of CompNet Data-users exclusively aimed at discussing papers based on our dataset. Finally, we are also very much looking forward to our 1ST Finance and Productivity (FINPRO) jointly organised in London on 2nd – 3rd December with the European Bank for Reconstruction and Development and the IWH.

Let me highlight that there are by now more than hundred teams of scholars across the globe using CompNet data for their research. We are obviously very proud of it and seek suggestions for further improvements.

As you can see, CompNet is thriving. Stay tuned for our call for papers and other announcements. And do join our activities.

Sincerely,

Filippo di Mauro

Chairman of CompNet

1st CompNet Data User Conference

On **8-9th October 2019**, France Stratégie, a member of CompNet, will host the **1st CompNet Data User Conference** in **Paris**. At this conference, users of CompNet data are invited to share their results and experiences with CompNet. This is an opportunity for all participants to see CompNet data at work and a chance for CompNet to receive valuable feedback and suggestions for the future. It also provides a forum for exchange and discussion regarding micro-data based research in 2019. We look forward to interesting presentations by CompNet users. The deadline for paper submissions is the 9th August 2019.

Here you can find the preliminary programm of the conference.

2nd CompNet Data Provider Forum and the Preparation of the CompNet 7th Vintage Dataset

On the 6th and 7th of May 2019, the data providers of CompNet and other members of the network came together at IWH in Halle to discuss the current state of the 7th vintage data collection. Pooling the knowledge and experience of long-term members as well as new ideas by all attendants, the **7th vintage promises to be a further improvement to the CompNet dataset**, especially focusing on **cross-country comparability** and the **inclusion of more countries**.

More specifically, the weighting procedure will be adapted to enhance the representativeness of the indicators while improving cross-country comparability. This is especially challenging as for the first time non-EU countries like **Turkey** and **Switzerland** will be included in CompNet. Further new features are the introduction of new variables like intangible assets or foreign ownership and new production function estimations including a range of different specifications.

Thanks to the efforts and the contribution of CompNet's data providers, the preparation of the next vintage is making great progress. The completion of the 7th vintage data collection can therefore be expected in the second half of 2019.

Annual CompNet Conference 2019 - Summary

Photo by Polyxeni Kanelliadou (EIB)

The 8th annual conference of CompNet jointly organized with the European Network for Resarch on Investment (ENRI), the International Monetary Fund (IMF), the European Investment Bank (EIB), and the Halle Institute for Economic Research (IWH) took place on the 18th and 19th March 2019 at the EIB headquarters in Luxembourg. Under the title "**From Micro to Macro: Market Power, Firms' Heterogeneity and Investment**" many insightful presentations and vibrant discussions made this event a huge success. The CompNet team would like to thank all participants for their contribution and the organizing institutions for the great collaboration.

Highlighting the importance of micro-funded data, the conference addressed questions like productivity slowdowns, falling labour shares, rising inequality and other macroeconomic phenomena of the last three decades. The speakers provided insights into these issues focusing on economical as well as methodological questions.

A final summary of the Conference is available via CompNet's website. There you can find a short version summarizing the main discussion points as well as a report containing detailed information from all the sessions. Additionally, the presentations which were held at the conference have been uploaded to the CompNet website.

IWH-CompNet Discussion Paper Series

Two further additions to the IWH-CompNet Discussion Paper Series have been published.

No. 3/2019   In "**Micro-mechanisms Behind Declining Labour Shares: Market Power, Production Processes, and Global Competition**" by Mertens, the author investigates how changing production processes and increasing market power at the firm level relate to a fall in Germany's manufacturing sector labour share.

No. 4/2019   In "**Price-cost Margin and Bargaining Power in the European Union**" by Soares, firm-level data from different European countries is used to get deeper insights into product and labour market imperfections especially in narrowly defined service sectors.

The papers are available at the following link together with the previous papers belonging to this series.