Wage Differentials between Local Plants and Foreign Multinationals in Thai Manufacturing: Industry-level Analysis

Atsuko Matsuoka
Research Assistant Professor, ICSEAD

Working Paper Series Vol. 2001-26
September 2001
(Revised on June 6, 2002)

The views expressed in this publication are those of the author(s) and do not necessarily reflect those of the Institute.

No part of this book may be used reproduced in any manner whatsoever without written permission except in the case of brief quotations embodied in articles and reviews. For information, please write to the Centre.

The International Centre for the Study of East Asian Development, Kitakyushu

Wage Differentials between Local Plants and Foreign Multinationals in Thai Manufacturing: Industry-level Analysis

Atsuko Matsuoka*, Research Assistant Professor

The International Center for the East Asian Development (ICSEAD), Kitakyushu.

September 2001 (Revised in June 2002)

Abstract

This paper analyzes wage differentials between local plants and MNC plants in the Thai manufacturing sector at each industry level, focusing on the different effects of capital types (machinery capital and office equipment capital) and trade status on wages between local plants and MNC plants.

First, this paper finds that the existence of positive wage differentials tend to be conspicuous in the plant groups with small machinery capital share and in the less exporting plant groups. However, the wage differentials tend to disappear in the plant groups with large machinery capital share and the more exporting plant groups. Then, the existence of wage differentials is associated with plant-specific effects rather than industry-specific effects. Second, this paper finds that the effects of capital types and trade on wage levels are different between the local plant group and the MNC plant group. Third, combined with those two findings, positive wage differentials disappear in the plant groups with large machinery capital share because MNC plants with large machinery capital share tend to pay lower wages. The positive wage differentials also disappear with the more exporting plant groups partly because more exporting local plants tend to pay higher wages, or partly because more exporting MNC plants tend to pay lower wages.

Contents

* The author would like to thank Dr. Somsak Tambunlertchai for providing the dataset and advice on this project and Dr. Eric D. Ramstetter for assistance with the dataset and other advice. This paper is prepared as a part of ICSEAD's project, "Foreign Multinational Corporations and Host-Country Labor Markets in Asia". The author also would like to thank ICSEAD for funding this study, as well as Dr. Shinichi Ichimura, Dr. William E. James, Dr. Hiro Lee, Dr. K. Kiyota, Dr. Robert E. Lipsey, Dr. F. Sjöholm, other colleagues at ICSEAD, and other researchers for advice.

1. Introduction

Regression results in previous literatures find positive wage differentials between plants belonging to local firms (local plants) and plants belonging to foreign multinational corporations (MNC plants) in several countries even after controlling for other plant characteristics like labor productivities or educational attainments of labor etc. (Lipsey and Sjöholm: 2001, Ramstetter:1994, and Matsuoka: 2001a, 2001b). On the other hand, technology (R&D, capital embodying technologies etc.) and international trade may affect wages through the different demand for labor skills. Then, the existence of wage differentials between local plants and MNC plants may also be affected if those factors have different effect on wages between local plants and MNC plants.

The main purpose of this paper is to test for wage differentials between local plants and MNC plants in Thai manufacturing at each industry level. To do that, this paper focuses on the different effects of capital types (machinery capital and office equipment capital) as proxies for technology and international trade status on wage levels between local plants and MNC plants. And the existence of wage differentials between local plants and MNC plants are tested among plant groups with different capital types and trade status. This paper also compares the effects of those capital types and trade status on wage levels between the local plant groups and the MNC plant groups.

This paper analyzes these topics using plant level data for the Thai manufacturing sector in 1996. Section 2 briefly reviews the previous literature and Section 3 mentions about the data. After explaining regression methods in section 4, section 5 reports the results. Some concluding remarks are offered in Section 6.

2. Review of the Literature

If the production technology differs across plants, wage differentials among plants may arise because of different demands for labor skills (Davis and Haltiwanger,

1991). The segmentation of labor markets also may affect wage differentials among plants. Barriers to labor mobility can be caused by institutional factors or policy distortions. Firms or plants belonging to foreign MNCs may pay higher wages than local firms or plants in host economies for the reasons described above. An important reason is because MNCs tend to be more technology-intensive than non-MNCs. Thus, some of wage differentials among plants may decrease if labor skills, productivity, or capital intensity are considered. However, Lipsey and Sjöholm (2001), Ramstetter (1994) and Matsuoka (2001a, 2001b) find wage differentials between MNC plants and local plants in Indonesia and Thailand, which cannot be explained by several plant characteristics. Further attention should be paid to the fact that in Thai manufacturing sector that MNC plants do not always exhibit higher labor productivity than local plants, and also regression results for those differentials of labor productivities tend to be insignificant (Ramstetter: 2001a, 2001b).

On the other hand, recent literature in developed countries suggests technology and international trade are the major causes of wage disparity between skilled and unskilled labor through the different demand for labor skills.[1] More technology intensive plants tend to demand more skilled labor. Not only R&D, but also some types of capital are related with technology, because capitals like machinery or office computers embody higher technologies[2]. International trade may also be an important factor in this respect. Exporting plants may face greater demand for skill-intensive products, resulting in relatively higher demand for skilled labor (Bernard and Jensen, 1997). Imports of intermediate goods or capital goods from developed countries may also be important, because these goods may embody the latest technologies in developed countries and are often an important source of technology transfer, leading to higher demand

[1] See Davis and Haltiwanger (1991), Berman, Bound and Griliches (1994), Doms, Dunne and Troske (1997), Hanson and Harrison (1995).
[2] Adams(1999), Berman, Bound and Griliches(1994), Doms, Dunne and Troske(1997).

for skilled labor (Romer,1993 ; Coe, Helpman and Hoffmaister, 1995). Then, plants with such types of capital or more trading plants may exhibit higher average wage levels (total wage bills divided by total labor) because they employ skilled labor relatively more than unskilled labor.

3. The Data

This study analyzes samples of plant-level data in the industrial census for 1996 (National Statistical Office 1999). [3] The comparisons in this study focus exclusively on relatively large plants with output of 25 million baht or greater because comparisons of foreign MNC plants and predominantly local smaller plants are not thought to be meaningful. In addition, some records thought to contain implausible data were removed from the sample.[4] The remaining sample consists of 4,377 plants with 1.3 million employees, which were paid an average of 8,275 baht each in compensation per month in 1996 (see also Appendix Table A).

Table 1 compares the mean hourly wages (*WN* and *WP*), the mean capital intensities (*K/LN* and *K/LP*), and the mean labor productivities (*VA/LN* and *VA/LP*) between local plants and MNC plants.[5] In this table and in the analysis below, wages are broadly defined here to include all employee compensation except social security payments.[6] The mean of hourly wage for non-production workers was 53 baht for local plants and 65 baht in MNC plants, or 23 percent higher in MNC plants in all manufac-

[3] The original samples underlying the published data (National Statistical Office 1999) contain numerous duplicates that were identified using a methodology explained in Ramstetter (2001a, pp. 8-10). In this study, one record from each set of duplicates has been retained in an effort to maximize sample coverage. For more details, see Appendix A in Ramstetter (2001a) and Appendix A in Ramstetter (2001b).

[4] When variables (labor productivity as value added per hourly worked, capital intensity as capital stock per hourly worked, and hourly wage) for both non-production workers and production workers fall in the top 1/64 and the bottom 1/64 at each industry level, those plant records are removed from the sample.

[5] *W*, *K*, *L*, and *VA* denote hourly wage, capital stock, hours worked, and value added, respectively. *N* and *P* denote non-production workers and production workers, respectively.

[6] The wage bill is defined to include wages and salaries, overtime, bonuses, and fringe benefits other than social security.

turing sector (Table 1).[7] MNC plants pay 16-41 % significantly higher than local plants in most industries, except at rubber where MNC plants pay significantly lower than local plants. For production workers, MNC plants tend to pay higher wages, though at much fewer industries and smaller differences (7-22 %) compared with non-production workers. Yet, wages of MNC plants are lower than local plants at rubber and electric machinery. The most conspicuous difference are observed in capital intensities, which of MNC plants are almost two times larger than local plants. However, MNC plants does not have higher mean labor productivities than local plants, or have rather lower productivities both for non-production workers and production workers, as suggested in Ramstetter (2001a, 2001b).

4. Regression Methods

This section explains the regression methods. The first examination is to test if wage differentials persist between local plants and MNC plants when plants are divided into several plant groups according to different capital types and trade status. To do this, wage levels are estimated at each industry level as functions of plant characteristics and a dummy variable identifying MNC plants as follows.

$$\ln W_j = b_0 + b_1 \cdot \ln(K / L_j) + b_{MNC} \cdot DMNC + b_x \cdot X \qquad (1)$$

where,

lnW_j: the log of hourly wage, where $j=N$ for non-production workers and $j=P$ for production workers,

lnK/L_j: capital intensity calculated as the log of capital stock (K) divided by hours worked (L_j),

[7] Industries are classified for food, textiles, apparel, footwear & leather, chemicals, rubber, plastics, non-metallic mineral products, fabricated metals, general machinery, electric machinery, and motor vehicles. Other manufacturing includes beverages, tobacco, wood and wood products, paper and paper products, publishing and printing, oil, coke and nuclear etc., basic metals, and other transport equipment.

DMNC: MNC dummy variable taking 1 if foreign ownership share of the plant is 1% or greater and =0 otherwise,

X: Other variables indicating plant characteristics.

When the coefficient of *DMNC* (b_{DMNC}) is significantly positive (negative), MNC plants pay wages b_{DMNC}% higher (lower) than local plants after controlling other plant characteristics, indicating existences of wage differentials. Capital intensities, ln(*K/LN*) and ln(*K/LP*), and the location dummy variable are also added in equation (1) .[8] And industry dummy variables are also added in the case of regressions at all manufacturing sector.[9]

Equation (1) is estimated with the sample of all plants and with several plant groups according to capital types and trade status as shown in Table 2. All plants are divided into two subgroups according to machinery capital share (*KM/K*), and similarly with office equipment capital share (*KO/K*).[10] Second, all plants are divided into a group of plants exporting less than 50% of its output and a group of plants exporting 50% or more. Similarly all plants are divided into a group of plants importing less than 50% of its material inputs and a group of plants importing 50% or more.

[8] The location dummy variable *DBK* takes 1 if plant is located in the Bangkok region including Bangkok, Samut Prakan, Nonthaburi, Pathum Thani, Nakhon Pathom, and Samut Sakon. Plants which have the one of the duplicate records in the original data set are assumed be located outside of the Bangkok region. Furthermore, a dummy variable for the plant with the one record retained from each set of duplicates (*DUP*) is added to all regressions to reduce the effect from the problem of duplicated data, as mentioned in section 3.

[9] Industry dummies are specified as footnote 7. The control industry for which no dummy is specified is other manufacturing.

[10] *K*, *KM*, and *KO* denote total capital stock, machinery capital stock, and office equipment capital stock, respectively. They are divided at the point close to the median of the all manufacturing sector (*KM/K*<0.4 and *KM/K*>=0.4, *KO/K*<0.04 and *KO/K*>=0.04).

Table2: Plant groups according to capital types and the trade status in Eq.(1)

Capital types				Trade status			
All plants		All plants		All plants		All plants	
Machinery capital share (*KM/K*)		Office equipment capital share (*KO/K*)		Exports		Imports	
Small	Large	Small	Large	<50%	>=50%	<50%	>=50%

Note: *K*, *KM*, and *KO* denote total capital stock, machinery capital stock, and office equipment capital stock, respectively.

The second examination compares the effects of capital types as proxies for technology and the trade status on wage levels between local plants and MNC plants. To do that, these two equations below are estimated with each of the local plant groups and the MNC plant groups.

$$\ln W_j = b_0 + b_1 \cdot \ln(K / L_j) + b_{KM} \cdot (KM / K) + b_{DX} \cdot DX + b_{DM} \cdot DM + b_x \cdot X \quad (2\text{-}1)$$

$$\ln W_j = b_0 + b_1 \cdot \ln(K / L_j) + b_{KO} \cdot (KO / K) + b_{DX} \cdot DX + b_{DM} \cdot DM + b_x \cdot X \quad (2\text{-}2)$$

where,

KM/K: the share of machinery capital stock (*KM*) to the total capital stock (*K*),

KO/K: the share of office equipment capital stock (*KO*) to the total capital stock (*K*),

DX: export dummy variable taking 1 if the plant exports 50% or more of its production,

DM: import dummy variable taking 1 if the plant imports 50% or more of its material inputs,

lnW_j, lnK/L_j, and *X*: same variables as in equation (1).

Two kinds of variables for capital types, machinery capital share (*KM/K*) and office equipment capital share (*KO/K*) are added in equation (2-1) and in equation (2-2), respectively. These equations also include the trade status (*DX*, and *DM*) to examine the effect of trade on wages. Then, these coefficients are compared between local plant groups and MNC plant groups.

5. Results

As mentioned in the previous section, the first analysis is to test for the existence of wage differentials between MNC and local plants in equation (1) with different plant groups according to capital types and trade status. And the second analysis is to examine if the capital types and trade has different effects on the wage levels between the local plant groups and the MNC plant groups in equation (2-1) and (2-2).[11] Then, both results of the two analyses are combined to explain the existence of wage differentials.

Before mentioning the results for each of the plant groups, the existence of wage differentials are tested with the sample of all plants at each industry. Those results are reported in the column (A) in Table 3, which shows the coefficients of *DMNC* (b_{DMNC}) for equation (1) with the sample of all plants. The b_{DMNC} are significantly positive for both non-production and production workers at several industries (all manufacturing, textiles, apparel, footwear & leather, chemicals, plastics, motor vehicles only for non-production workers, and other manufacturing). Then, positive wage differentials are observed at those industries. However, at rubber, and at general machinery and electric machinery (only for production workers), they are significantly negative, meaning MNC plants pay lower than local plants after controlling for other plant characteristics.

When plants are divided according to machinery capital share, b_{DMNC} for equation (1) at column (B) in Table 3 are significantly positive in the small machinery capital groups at many industries for both non-production and production workers, suggesting that the existence of wage differentials between local and MNC plants for non-production workers tends to be conspicuous in the plant groups with small machinery capital share (small *KM/K* groups). However, the wage differentials tend to disappear in the plant groups with large machinery capital share (large *KM/K* groups). For

[11] Appendix Table B1 to B15 reports all regression results in equation (1), and Appendix Table C1 to C8 for equation (2-1) and (2-2).

non-production workers, these results are observed at textiles, footwear&leather, chemicals, general machinery, motor vehicles, and other manufacturing. On the other hand, the coefficients of machinery capital share, namely, b_{KM} of equation (2-1) in column (B), are significantly negative at many industries only for the MNC plant groups, suggestiong that MNC plants with larger machinery capital share tend to pay lower than MNC plants with smaller machinery capital share. Yet, wage levels for local plants are not affected by machinery capital share. Therefore, wage differentials between local plants and MNC plants disappear in the plant groups with large machinery capital share partly because MNC plants with large machinery capital share tend to pay lower wages. The same tendencies are observed for production workers at footwear&leather and chemicals. This relationship applies to the negative wage differentials at rubber observed at the large *KM/K* capital group for non-production workers.

Turning to the office equipment capital at column (C) in Table 3, b_{DMNC} for equation (1) tend to be significantly positive, indicating the positive wage differentials at several industries, except rubber and general machinery. Yet, there is a wide variation across industries in the existence of wage differentials with the small *KO/K* groups and the large *KO/K* groups. Furthermore, there is no consistent relationship between the existence of wage differentials with *KO/K* grouping and the wage effect of office equipment capital share (b_{KO} of equation (2-2) in column (C)).

Next, the summary results related with export status are reported in Table 4-1. For non-production workers, b_{DMNC} for equation (1) are significantly positive at many industries, suggesting positive wage differentials are observed with the less exporting plant groups. And they disappear with the more exporting plant groups at textiles footwear&leather, chemicals, general machinery, and other manufacturing, which is similar with the case in machinery capital share. At textiles and general machinery, the coefficients of export dummy variable (b_{DX}) in equation (2-1) and (2-2) are significantly

positive only for the local plants groups. Therefore, positive wage differentials at textiles and general machinery disappear with the more exporting plant groups because more exporting local plants tend to pay higher wages. Furthermore, b_{DX} for the MNC plant groups at general machinery are significantly negative, meaning more exporting MNC plants pay lower wages, which also contributes to the disappearance of positive wage differentials with the more exporting plant groups. The same tendencies are observed at chemicals for both non-production and production workers, where b_{DX} for MNC plants are significantly negative.

Finally, the results with wage and import status are mentioned in Table 4-2. For non-production workers, the b_{DMNC} for equation (1) with the less importing plant groups tend to be significantly positive at many industries and insignificant with the more importing plant groups, meaning wage differentials disappear with more importing plant groups. However, import status does not affect wage levels for both local plants and MNC plants from the results of b_{DM} for equation (2-1) and (2-2). Therefore, it is difficult to explain the existence and disappearance of wage differentials according to import status.

6. Conclusion and remarks

This paper analyzes the existence of wage differentials between local plants and MNC plants in the Thai manufacturing sector, in particular, focusing on the different effects of capital types as proxies for technology and the trade status on wages. The existence of wage differentials between local plants and MNC plants are tested among plant groups with different capital types and trade status. This paper also compares the effects of those capital types and trade status on wage levels between the local plant groups and the MNC plant groups.

First, this paper finds that the existence of wage differentials between local

plants and MNC plants tend to be conspicuous in the plant groups with small machinery capital share (the small *KM/K* groups) and in the less exporting plant groups. However, the wage differentials tend to disappear in the plant groups with large machinery capital share and in the more exporting plant groups. Then, the existence of wage differentials is associated with plant-specific effects rather than industry-specific effects.

The second major finding is that the effects of capital types and trade on wage levels are different between the local plant groups and the MNC plant groups. Machinery capital tends to be negatively correlated with wage levels only for MNC plants. Export status is somewhat positively correlated with wage levels only for local plants, and negatively correlated with wage levels only for MNC plants.

Third, combined with those two findings, positive wage differentials between local plants and MNC plants disappear in the plant groups with large machinery capital share because MNC plants with large machinery capital share tend to pay lower wages. Positive wage differentials also disappear with the more exporting plant groups partly because more exporting local plants tend to pay higher wages, or partly because more exporting MNC plants tend to pay lower wages.

According to the previous literature, technology and trade are considered to be complements to skilled labor and the major causes for wage disparity between skilled and unskilled labor. However, technology and trade may have different effects on plants with different foreign ownership shares, especially in developing countries. For instance, if an introduction of machinery provides a simple work with less skill, leading to lower average wage through relatively large share of unskilled labor. And this explanation may be applicable to MNC plants in developing countries. As for exports, even if both MNC plants and local plants are competitive in the export market, MNC plants may produce the same goods as local plants with less skilled labor as compared with local plants, and thus exports may reduce wage differentials between local and

MNC plants. Alternatively, MNC plants may go into developing countries to take advantage of lower wage levels compared with developed countries.

At this point, this paper just examines the relationships between wage differentials or wage levels and plant characteristics, and it does not discuss the mechanism of the existence and disappearance of wage differentials. Then, analysis of foreign ownerships and wage differentials for non-production and production workers are also interesting extensions, because skill biased technology and trade may have different effects between local plants and MNC plants.

This paper also leaves another issues to be considered in further research, because there are evidences that labor productivity differentials between MNC plants and local plants were generally insignificant in Thailand. Therefore, further discussion is needed to explain why MNC plants tend to pay higher wages than local plants. Related with this task, MNC plants may go into the Thai domestic markets because of their technologies to produce goods differentiated by quality or varieties, expecting excess profits. Such a point may be related with the result of this paper that wage differentials tend to be conspicuous at less exporting plant groups (plant groups targeting the Thai domestic markets). In this case, MNC plants may pay higher wages (including base salary and bonus, etc.) because of profit sharing compared with local plants.

References

Adams, J.D. (1999), "The structure of Firm R&D, the Factor Intensity of Production, and Skill Bias," *The Review of Economics and Statistics*, Vol.81, No.3, pp.499-510.

Berman, E., J. Bound, and Z. Griliches (1994), "Changes in the Demand for Skilled labor within US Manufacturing: Evidence from the Annual Survey of Manufactures," *The Quarterly Journal of Economics*, Vol.109, No.2, pp.367-397.

Bernard, A.W. and J.B. Jensen (1997), "Exporters, skill upgrading, and the wage gap," *Journal of International Economics*, Vol.42, pp.3-31.

Coe, D.T., E. Helpman and A.W. Hoffmaister (1995), " North-South R&D Spillovers," NBER Working Paper, No.5048, Cambridge, MA: National Bureau of Economic Research.

Davis, S.J. and J. Haltiwanger (1991), "Wage Dispersion between and within U.S. Manufacturing Plants, 1963-86," *Brookings Papers on Economic Activity: Microeconomics*, 1991, pp.115-200.

Doms, M., T.Dunne and K.R.Troske (1997), "Workers, Wages, and Technology," *The Quarterly Journal of Economics*, Vol.112, No.1, pp. 253-290.

Hanson, G.H. and A. Harrison (1995), "Trade, Technology, and Wage Inequality," NBER Working Paper, No.5110, Cambridge, MA: National Bureau of Economic Research.

Hermash, S. D. (1993), *Labor Demand*. Princeton, NJ: Princeton University Press.

Lipsey, R.E. and F. Sjöholm (2001), "Foreign Direct Investment and Wages in Indonesian Manufacturing," Working Paper Series Vol. 2001-02, Kitakyushu: The International Center for the Study of East Asian Economic Development.

Matsuoka, A. (2001a), "Wages, Foreign Multinationals, and Local Plants in Thai Manufacturing," Working Paper Series Vol. 2001-15, Kitakyushu: The International Center for the Study of East Asian Economic Development.

Matsuoka, A. (2001b), "Wage Differentials among Local Plants and Foreign Multinationals by Foreign Ownership Share and Nationality in Thai Manufacturing," Working Paper Series Vol. 2001-25, Kitakyushu: The International Center for the Study of East Asian Economic Development.

National Statistical Office (1999), *Report of the 1997 Industrial Census: Whole Kingdom*, Bangkok: National Statistical Office and Office of Prime Minister

Ramstetter, E.D. (1994), "Comparisons of Japanese Multinationals and Other Firms in Thailand's Non-oil Manufacturing Industries," *ASEAN Economic Bulletin*, Vol.11, No.1, pp.36-58.

Ramstetter, E.D. (2001a), "Labor Productivity in Local Plants and Foreign Multinationals in Thai Manufacturing, 1996 and 1998," Working Paper Series Vol. 2001-14, Kitakyushu: The International Center for the Study of East Asian Economic Development.

Ramstetter, E.D. (2001b), "Labor Productivity in Local Plants and Foreign Multinationals by nationality in Thai Manufacturing, 1996 and 1998," Working Paper Series, forth-coming, Kitakyushu: The International Center for the Study of East Asian Economic Development.

Romer, P. (1993), "Idea Gaps and Object Gaps in Economic Development," *Journal of Monetary Economics*, Vol.32, pp.543-573.

Table 1: Comparison of wages, capital intensities, and labor productivities (Unit: baht per hour)

	WN			K/LN			VA/LN		
	Local Mean(A)	MNC Mean(B)	B/A	Local Mean(A)	MNC Mean(B)	B/A	Local Mean(A)	MNC Mean(B)	B/A
Non-production worker									
Manufacturing	**53**	**65**	**1.23** ***	**431**	**627**	**1.45** ***	**1,029**	**1,025**	**1.00**
(S.D.)	45	56		651	908		1,714	1,562	
Food	**43**	**50**	**1.16** *	**371**	**392**	**1.06**	**1,048**	**1,077**	**1.03**
(S.D.)	34	41		499	328		1,978	2,253	
Textiles	**35**	**49**	**1.41** ***	**551**	**1,082**	**1.96** ***	**568**	**748**	**1.32**
(S.D.)	25	47		766	1,432		794	1,263	
Apparel	**56**	**74**	**1.33** ***	**177**	**250**	**1.42**	**796**	**826**	**1.04**
(S.D.)	42	52		214	306		953	882	
Footwear & leather	**67**	**92**	**1.38** *	**299**	**316**	**1.06**	**1,092**	**1,181**	**1.08**
(S.D.)	55	83		392	227		1,756	1,119	
Chemicals	**66**	**81**	**1.24** **	**390**	**886**	**2.27** ***	**681**	**825**	**1.21**
(S.D.)	54	73		622	1,419		975	1,168	
Rubber	**42**	**35**	**0.84** **	**470**	**526**	**1.12**	**1,756**	**789**	**0.45** ***
(S.D.)	29	25		643	669		3,537	1,361	
Plastics	**40**	**49**	**1.21** **	**415**	**574**	**1.38** **	**588**	**545**	**0.93**
(S.D.)	39	38		509	578		723	730	
Non-metallic mineral products	**51**	**58**	**1.13**	**651**	**615**	**0.94**	**1,368**	**1,156**	**0.84**
(S.D.)	43	42		875	813		2,532	1,806	
Fabricated metals	**61**	**66**	**1.07**	**366**	**669**	**1.83** ***	**980**	**1,094**	**1.12**
(S.D.)	45	56		504	711		1,114	904	
General machinery	**64**	**80**	**1.25** **	**438**	**735**	**1.68** *	**1,338**	**1,074**	**0.80**
(S.D.)	68	72		626	1,481		1,994	1,417	
Electric machinery	**60**	**64**	**1.07**	**308**	**597**	**1.94** ***	**984**	**959**	**0.97**
(S.D.)	38	56		577	660		1,375	1,125	
Motor vehicles	**66**	**81**	**1.22** **	**375**	**1,000**	**2.67** ***	**1,453**	**2,646**	**1.82** ***
(S.D.)	62	57		569	1,192		1,972	3,258	
Other manufacturings	**53**	**67**	**1.27** ***	**467**	**501**	**1.07**	**1,075**	**1,020**	**0.95**
(S.D.)	43	54		715	590		1,594	1,550	
	WP			**K/LP**			**VA/LP**		
	Local Mean(A)	MNC Mean(B)	B/A	Local Mean(A)	MNC Mean(B)	B/A	Local Mean(A)	MNC Mean(B)	B/A
Production worker									
Manufacturing	**21**	**22**	**1.07** ***	**68**	**116**	**1.71** ***	**153**	**177**	**1.16** ***
(S.D.)	12	14		113	183		231	289	
Food	**16**	**16**	**1.02**	**52**	**39**	**0.75** *	**129**	**78**	**0.61** ***
(S.D.)	9	8		59	36		206	92	
Textiles	**14**	**15**	**1.08** *	**59**	**119**	**2.03** ***	**65**	**88**	**1.35**
(S.D.)	8	8		72	136		84	129	
Apparel	**22**	**25**	**1.14** ***	**17**	**20**	**1.19**	**75**	**68**	**0.90**
(S.D.)	9	9		18	19		72	49	
Footwear & leather	**24**	**29**	**1.22** **	**32**	**27**	**0.84**	**108**	**61**	**0.56** **
(S.D.)	12	14		34	27		121	36	
Chemicals	**22**	**26**	**1.18** ***	**110**	**327**	**2.97** ***	**214**	**331**	**1.55** **
(S.D.)	15	17		235	424		388	538	
Rubber	**16**	**13**	**0.83** **	**55**	**64**	**1.16**	**193**	**106**	**0.55** ***
(S.D.)	9	10		81	58		365	171	
Plastics	**15**	**16**	**1.08**	**58**	**95**	**1.62** ***	**77**	**84**	**1.10**
(S.D.)	10	10		86	91		93	92	
Non-metallic mineral products	**21**	**22**	**1.06**	**97**	**108**	**1.12**	**184**	**159**	**0.86**
(S.D.)	12	10		117	115		205	182	
Fabricated metals	**25**	**25**	**0.99**	**53**	**138**	**2.61** ***	**144**	**243**	**1.69** ***
(S.D.)	12	13		71	143		163	284	
General machinery	**28**	**27**	**0.97**	**50**	**108**	**2.16** ***	**158**	**217**	**1.37** **
(S.D.)	16	16		51	92		172	239	
Electric machinery	**24**	**21**	**0.88** ***	**50**	**78**	**1.56** **	**176**	**126**	**0.71** **
(S.D.)	14	15		57	76		234	157	
Motor vehicles	**29**	**33**	**1.17** **	**84**	**207**	**2.45** ***	**206**	**538**	**2.61** ***
(S.D.)	13	20		201	194		270	499	
Other manufacturings	**21**	**23**	**1.10** ***	**80**	**101**	**1.27** ***	**178**	**173**	**0.97**
(S.D.)	12	13		115	138		250	260	

Source) Compilations from plant-level data underlying National Statistical Office (1999).

Notes) Welch's test is used to considere heteroscedasticity.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Table 3: Wage differentials between local plants and MNC plants, and the effect of capital types

	(A)	(B)				(C)			
	b_{MNC} of Eq.(1)	b_{MNC} of Eq.(1)		b_{KM} of Eq. (2-1)		b_{MNC} of Eq.(1)		b_{KO} of Eq. (2-2)	
	All plants	KM/K		Local plants	MNC plants	KO/K		Local plants	MNC plants
		Small	Large			Small	Large		
Non-production workers									
All manufacturing	0.17 ***	0.28 ***	0.10 **	-	-0.60 ***	0.18 ***	0.14 ***	0.77 ***	2.14 ***
Food	-	-	-	-	-	0.33 **	-	-	-
Textiles	0.29 ***	0.53 ***	-	-	-0.82 **	0.29 **	-	-	6.44 ***
Apparel	0.27 ***	0.25 **	0.32 *	-	-	0.48 ***	0.21 *	-	-
Footwear & leather	0.29 *	0.51 **	-	-	-	-	0.46 *	-	-
Chemicals	0.26 **	0.51 ***	-	-	-1.10 ***	-	-	-	5.03 ***
Rubber	-0.22 *	-	-0.39 **	-	-1.28 ***	-	-0.34 *	-	-
Plastics	0.34 ***	0.49 ***	0.31 **	-	-0.98 **	0.33 **	0.33 **	-	2.42 **
Non-metallic mineral products	-	-	-	-	-	-	-	1.32 **	-
Fabricated metals	-	-	-	-0.28 *	-0.68 *	-	-	-	6.86 ***
General machinery	-	0.45 ***	-	-	-	-	-	-	-
Electric machinery	-	-	-	-0.42 *	-0.51 *	-	-	-	-
Motor vehicles	0.31 **	0.46 ***	-	-	-0.98 **	0.43 **	-	-	-
Other manufacturing	0.21 ***	0.27 ***	-	-	-	0.21 **	0.15 **	0.98 **	-
Production workers									
All manufacturing	0.06 ***	0.08 ***	-	-0.09 **	-0.27 ***	-	0.07 **	0.59 ***	1.20 ***
Food	-	-	-	-	-	-	-	1.70 *	-
Textiles	0.12 *	-	-	-	-	0.15 *	-	-	2.38 **
Apparel	0.17 ***	0.15 **	0.25 **	-	-	0.26 **	0.14 **	-	-
Footwear & leather	0.25 **	0.38 ***	-	-	-1.15 **	-	0.22 *	-	-4.34 **
Chemicals	0.15 *	0.27 **	-	-	-0.44 *	-	-	-	-
Rubber	-0.25 ***	-	-0.34 ***	-	-	-0.22 *	-0.32 **	-	-
Plastics	0.15 *	-	-	-	-1.06 ***	-	0.24 *	-	2.52 *
Non-metallic mineral products	-	-	-	-	-	-	-	1.97 ***	-
Fabricated metals	-	-	-	-	-	-	-	-	3.15 **
General machinery	-0.15 *	-	-	-0.27 *	-	-	-0.22 **	-	-
Electric machinery	-0.14 *	-0.18 *	-	-	-0.36 *	-	-	-	-
Motor vehicles	-	-	-	-	-0.65 **	-	-	2.40 *	3.24 ***
Other manufacturing	0.09 **	-	-	-	-	-	0.13 **	0.65 **	1.43 ***

Source) Results of eq.(1) are from Appendix Table B1-B15, and resutls of eq.(2-1) and (2-2) from Appendix Table C1-C8.

Notes)***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

"-" =not significant at the 10 percent level or better.

Table 4-1: Wage differentials between local plants and MNC plants, and the effect of trade status: Exports

	b_{MNC} of Eq.(1)		b_{DX} of Eq. (2-1)		b_{DX} of Eq. (2-2)	
	Exports		Local plants	MNC plants	Local plants	MNC plants
	<50%	>=50%				
Non-production workers						
All manufacturing	0.22 ***	0.09 *	0.13 ***	-0.11 **	0.13 ***	-0.09 *
Food	-	-	0.29 ***	-	0.29 ***	-
Textiles	0.28 **	-	0.33 ***	-	0.32 **	-
Apparel	-	0.30 ***	-	-	-	-
Footwear & leather	0.52 **	-	-	-	-	-
Chemicals	0.37 ***	-	-	-0.45 **	-	-0.56 ***
Rubber	-0.37 **	-	-	0.47 ***	-	-
Plastics	0.30 **	0.47 **	-	-	-	-
Non-metallic mineral products	-	-	-	-	-	-
Fabricated metals	-	-	-	-	-	-
General machinery	0.49 ***	-	0.48 **	-0.53 ***	0.47 **	-0.52 **
Electric machinery	-	-	-	-	-	-
Motor vehicles	-	1.50 ***	-	-	-	-
Other manufacturing	0.19 ***	-	0.22 ***	-	0.23 ***	-
Production workers						
All manufacturing	0.07 **	0.05 *	-	-	-	-
Food	-0.41 **	-	-	0.68 ***	0.13 *	0.68 ***
Textiles	-	-	0.27 ***	-	0.27 ***	-
Apparel	-	0.20 ***	-	-	-	-
Footwear & leather	0.44 ***	0.28 **	-	-0.65 **	-	-0.63 *
Chemicals	0.25 **	-	-	-0.37 ***	-	-0.43 ***
Rubber	-	-0.26 **	-	-	-	-
Plastics	-	0.27 *	-0.26 **	-	-0.27 **	-
Non-metallic mineral products	-	-	-	-	-	-
Fabricated metals	-	-	-0.23 *	-0.30 **	-0.24 *	-0.29 **
General machinery	-	-0.33 *	-	-	-	-
Electric machinery	-	-	-	-	-	-
Motor vehicles	-	0.57 ***	-0.45 ***	-	-0.44 ***	-
Other manufacturing	-	-	0.18 ***	-	0.19 ***	-

Source) Results of eq.(1) are from Appendix Table B1-B15, and resutls of eq.(2-1) and (2-2) from Appendix Table C1-C8.
Notes)***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.
"-" =not significant at the 10 percent level or better.

Table 4-2: Wage differentials between local plants and MNC plants, and the effect of trade status : Imports

	b_{MNC} of Eq.(1)		b_{DM} of Eq. (2-1)		b_{DM} of Eq. (2-2)	
	Imports		Local plants	MNC plants	Local plants	MNC plants
	<50%	>=50%				
Non-production workers						
All manufacturing	0.15 ***	0.15 ***	0.10 ***	0.13 ***	0.11 ***	0.13 **
Food	-	-	-	-	-	-
Textiles	0.25 *	0.31 *	-	-	-	-
Apparel	-	0.44 ***	-	0.48 ***	-	0.43 **
Footwear & leather	0.47 *	-	-	-	-	-
Chemicals	0.42 ***	-	-	-	-	-
Rubber	-0.24 *	-	-	-	-	-
Plastics	0.35 **	0.38 **	-	-	-	-
Non-metallic mineral products	-	-	-	-	-	-
Fabricated metals	-	-	-	-	-	-
General machinery	-	-	0.21 *	-	0.22 *	-
Electric machinery	0.40 ***	-	-	-	-	-
Motor vehicles	-	-	-	0.54 ***	-	0.40 *
Other manufacturing	0.17 **	0.16 *	0.22 ***	0.20 **	0.22 ***	0.19 **
Production workers						
All manufacturing	0.06 **	-	-	-	-	-
Food	-	-	-	-	-	-
Textiles	-	0.37 ***	-0.22 **	-	-0.24 ***	-
Apparel	0.16 **	-	-	-	-	-
Footwear & leather	-	0.33 **	-	-	-	-
Chemicals	0.22 *	-	-	-	-	-
Rubber	-0.28 **	-0.64 *	-	-	-	-
Plastics	-	-	0.25 **	0.29 **	0.26 **	0.27 **
Non-metallic mineral products	-	-	-	-	-	-
Fabricated metals	-	-	-	-	-	-
General machinery	-	-0.32 ***	-	-	-	-
Electric machinery	-	-	-	-	-	-
Motor vehicles	-	-	-	-	-	-0.25 *
Other manufacturing	0.09 *	-	-	-	-	-

Source) Results of eq.(1) are from Appendix Table B1-B15, and resutls of eq.(2-1) and (2-2) from Appendix Table C1-C8.
Notes)***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.
"-" =not significant at the 10 percent level or better.

Appendix Table A: Number of plants, value added, and number of workers in Thai manufacturing sector

	Number of plants		Value added (million baht)		Number of non-production workers		Number of production workers	
		MNC		MNC(%)		MNC(%)		MNC(%)
All manufacturing	4,377	1,200	502,612	58.3	200,232	45.6	1,064,361	45.7
Food	298	75	33,281	33.5	18,622	30.3	124,524	39.0
Textiles	288	85	22,142	52.4	11,849	33.6	91,229	41.4
Apparel	297	62	15,334	37.7	13,015	30.8	91,529	34.0
Footwear & leather	112	25	8,083	22.6	4,878	28.7	38,598	33.6
Chemicals	315	109	25,763	61.7	15,141	39.8	37,860	39.3
Rubber	173	59	18,976	28.6	4,986	46.2	43,309	44.4
Plastics	264	68	14,895	40.3	7,891	42.5	50,817	33.9
Non-metallic mineral products	314	37	22,233	24.0	9,776	24.9	49,644	26.3
Fabricated metals	296	78	21,241	65.2	8,098	45.0	51,162	45.3
General machinery	217	72	25,431	79.0	10,245	67.8	59,133	73.6
Electric machinery	292	184	54,342	86.7	26,057	79.1	133,411	85.0
Motor vehicles	161	59	121,091	91.3	9,920	60.3	47,857	62.6
Other manufacturing	1,350	287	119,801	32.0	59,754	41.7	245,288	33.0

Source) Compilations from plant-level data underlying National Statistical Office (1999).

Appendix Table B1: Regression results of equation (1) : all manufacturing, non-production workers

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.32	54.71 ***	3.11	38.27 ***	3.46	37.54 ***	3.07	30.44 ***	3.29	41.72 ***	3.23	44.89 ***	3.48	30.66 ***	3.24	46.11 ***	3.61	30.70 ***
ln(K/LN)	0.03	3.55 ***	0.07	4.89 ***	0.02	1.29	0.06	3.90 ***	0.06	4.76 ***	0.04	3.18 ***	0.04	2.17 **	0.04	3.22 ***	0.03	1.50
DMNC	0.17	6.31 ***	0.28	7.32 ***	0.10	2.40 **	0.18	4.48 ***	0.14	3.78 ***	0.22	5.93 ***	0.09	1.89 *	0.15	4.16 ***	0.15	3.21 ***
DBK	0.30	10.77 ***	0.35	9.39 ***	0.25	5.83 ***	0.25	6.44 ***	0.30	7.32 ***	0.33	9.37 ***	0.25	5.27 ***	0.33	9.90 ***	0.20	3.67 ***
DUP	0.21	6.11 ***	0.20	4.22 ***	0.21	4.24 ***	0.17	3.34 ***	0.20	4.19 ***	0.24	5.66 ***	0.16	2.76 ***	0.23	5.62 ***	0.13	2.05 **
Food	-0.14	-2.89 ***	-0.13	-2.05 **	-0.17	-1.96 **	-0.03	-0.41	-0.26	-3.66 ***	-0.23	-3.20 ***	-0.17	-2.32 **	-0.09	-1.70 *	-0.23	-1.56
Textiles	-0.43	-8.67 ***	-0.30	-3.95 ***	-0.47	-7.31 ***	-0.41	-6.75 ***	-0.33	-4.05 ***	-0.44	-7.80 ***	-0.36	-3.91 ***	-0.40	-6.84 ***	-0.53	-5.75 ***
Apparel	0.10	2.36 **	0.08	1.43	0.17	2.45 **	0.12	1.39	0.05	0.99	0.14	2.08 **	-0.01	-0.23	0.09	1.86 *	0.15	1.61
Footwear & leather	0.29	4.30 ***	0.30	3.11 ***	0.25	2.75 ***	0.44	4.37 ***	0.18	2.04 **	0.29	2.92 ***	0.21	2.26 **	0.36	4.40 ***	0.10	0.88
Chemicals	0.15	2.96 ***	0.22	3.47 ***	0.06	0.68	0.10	1.26	0.17	2.69 ***	0.24	4.36 ***	-0.29	-2.20 **	0.15	2.29 **	0.05	0.66
Rubber	-0.24	-4.07 ***	-0.18	-2.21 **	-0.31	-3.65 ***	-0.17	-2.14 **	-0.30	-3.45 ***	-0.21	-2.56 **	-0.37	-4.36 ***	-0.19	-2.94 ***	-0.32	-2.11 **
Plastics	-0.32	-6.40 ***	-0.28	-3.62 ***	-0.33	-5.08 ***	-0.26	-3.52 ***	-0.36	-5.63 ***	-0.27	-4.80 ***	-0.44	-4.35 ***	-0.26	-4.39 ***	-0.50	-5.56 ***
Non-metallic mineral products	0.00	0.00	0.02	0.40	-0.02	-0.28	0.05	0.83	-0.03	-0.40	0.06	1.07	-0.08	-0.46	0.06	1.19	-0.24	-1.30
Fabricated metals	0.12	2.54 **	0.22	3.43 ***	0.04	0.57	0.15	2.23 **	0.08	1.37	0.18	3.77 ***	-0.12	-0.94	0.15	2.80 ***	-0.02	-0.22
General machinery	0.16	2.78 ***	0.26	3.58 ***	0.07	0.81	0.25	2.70 ***	0.06	0.84	0.23	3.69 ***	-0.02	-0.17	0.15	2.17 **	0.08	0.86
Electric machinery	0.06	1.14	0.20	2.65 ***	-0.01	-0.16	0.05	0.59	0.02	0.28	0.20	3.11 ***	-0.13	-1.76 *	0.21	2.95 ***	-0.17	-2.33 **
Motor vehicles	0.18	2.72 ***	0.14	1.63	0.21	2.19 **	0.25	2.73 ***	0.10	1.04	0.21	2.90 ***	0.13	0.69	0.18	2.23 **	0.13	1.24
Adj.R2/Obs.	0.08	4,377	0.12	2,288	0.07	2,089	0.08	2,070	0.08	2,307	0.11	2,987	0.06	1,390	0.08	3,103	0.07	1,274
Hausman-Wu test	-0.42	0.68	0.87	0.38	-1.97	0.05 **	0.70	0.49	-1.66	0.10 *	-0.07	0.94	-0.54	0.59	-0.37	0.71	-0.22	0.83
Mean & S.D. of Y	3.73	0.78	3.75	0.78	3.71	0.79	3.61	0.80	3.84	0.75	3.71	0.78	3.78	0.78	3.67	0.77	3.88	0.79
Num of MNC	1,200		530		670		569		631		529		671		625		575	

Notes) 2SLS is used with the rank of ln(K/LN) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B2 (Continued) : all manufacturing, production workers

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWP																		
C	2.70	76.77 ***	2.69	56.47 ***	2.69	49.94 ***	2.61	47.76 ***	2.71	56.46 ***	2.62	58.27 ***	2.82	49.42 ***	2.69	64.20 ***	2.76	42.32 ***
ln(K/LP)	0.01	1.58	0.01	1.12	0.02	1.56	0.03	2.17 **	0.02	1.94 *	0.02	2.27 **	0.01	0.72	0.01	0.83	0.02	1.53
DMNC	0.06	2.89 ***	0.08	2.91 ***	0.05	1.54	0.04	1.21	0.07	2.42 **	0.07	2.30 **	0.05	1.66 *	0.06	2.01 **	0.05	1.33
DBK	0.24	11.55 ***	0.27	9.72 ***	0.21	6.49 ***	0.21	7.31 ***	0.25	7.99 ***	0.24	9.10 ***	0.23	6.75 ***	0.26	10.25 ***	0.19	4.89 ***
DUP	0.18	6.89 ***	0.17	4.71 ***	0.18	4.97 ***	0.10	2.60 ***	0.23	6.19 ***	0.17	5.43 ***	0.18	4.16 ***	0.18	5.96 ***	0.15	3.11 ***
Food	-0.22	-6.08 ***	-0.25	-5.65 ***	-0.14	-2.43 **	-0.15	-3.01 ***	-0.26	-5.17 ***	-0.24	-4.67 ***	-0.27	-5.29 ***	-0.20	-5.14 ***	-0.27	-2.61 ***
Textiles	-0.40	-11.20 ***	-0.34	-5.75 ***	-0.41	-9.04 ***	-0.38	-8.18 ***	-0.34	-6.06 ***	-0.39	-9.16 ***	-0.41	-6.43 ***	-0.38	-8.98 ***	-0.47	-6.96 ***
Apparel	0.08	2.67 ***	0.08	2.04 **	0.08	1.56	0.13	2.21 **	0.04	1.22	0.16	3.27 ***	-0.04	-0.90	0.08	2.17 **	0.09	1.36
Footwear & leather	0.17	3.32 ***	0.20	2.80 ***	0.14	1.94 *	0.27	3.23 ***	0.10	1.56	0.25	4.33 ***	0.03	0.40	0.21	3.46 ***	0.09	1.01
Chemicals	0.00	-0.05	0.02	0.31	-0.04	-0.67	0.02	0.35	-0.04	-0.74	0.06	1.43	-0.28	-2.94 ***	-0.02	-0.31	-0.02	-0.32
Rubber	-0.32	-6.92 ***	-0.33	-5.31 ***	-0.31	-4.28 ***	-0.28	-4.58 ***	-0.34	-4.57 ***	-0.16	-2.34 **	-0.50	-7.73 ***	-0.31	-5.91 ***	-0.33	-3.77 ***
Plastics	-0.38	-9.45 ***	-0.32	-4.80 ***	-0.41	-8.04 ***	-0.36	-6.25 ***	-0.39	-6.98 ***	-0.33	-7.10 ***	-0.50	-6.17 ***	-0.43	-9.15 ***	-0.29	-3.99 ***
Non-metallic mineral products	0.05	1.42	0.06	1.32	0.04	0.68	0.07	1.48	0.06	1.02	0.10	2.38 **	-0.10	-1.15	0.08	2.03 **	-0.08	-0.65
Fabricated metals	0.16	4.80 ***	0.17	3.91 ***	0.15	3.10 ***	0.21	4.10 ***	0.13	2.96 ***	0.25	7.05 ***	-0.18	-2.15 **	0.19	4.71 ***	0.07	1.23
General machinery	0.26	6.71 ***	0.33	6.24 ***	0.20	3.58 ***	0.30	4.86 ***	0.22	4.40 ***	0.32	7.11 ***	0.10	1.34	0.26	5.23 ***	0.23	3.61 ***
Electric machinery	-0.01	-0.31	0.06	0.96	-0.05	-0.88	0.05	0.90	-0.07	-1.34	0.12	2.28 **	-0.20	-3.60 ***	0.09	1.32	-0.11	-2.04 **
Motor vehicles	0.35	7.85 ***	0.43	7.74 ***	0.28	4.13 ***	0.42	6.81 ***	0.28	4.48 ***	0.41	8.64 ***	0.13	1.00	0.38	7.25 ***	0.26	3.09 ***
Adj.R2/Obs.	0.13	4,377	0.15	2,288	0.12	2,089	0.13	2,070	0.12	2,307	0.14	2,987	0.14	1,390	0.15	3,103	0.09	1,274
Hausman-Wu test	2.52	0.01 **	1.12	0.26	1.25	0.21	2.83	0.00 ***	0.72	0.47	1.46	0.15	2.11	0.04 **	2.46	0.01 **	1.42	0.16
Mean & S.D. of Y	2.88	0.60	2.91	0.59	2.85	0.61	2.80	0.61	2.96	0.58	2.90	0.61	2.86	0.58	2.86	0.60	2.95	0.59
Num of MNC	1,200		530		670		569		631		529		671		625		575	

Notes) 2SLS is used with the rank of ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B3 (Continued) : Food

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	2.48	9.72 ***	2.51	8.17 ***	2.29	4.77 ***	2.73	7.38 ***	2.12	5.37 ***	2.30	7.18 ***	2.67	7.33 ***	2.56	9.84 ***	1.53	1.54
ln(K/LN)	0.17	3.75 ***	0.17	3.13 ***	0.19	2.26 **	0.11	1.73 *	0.26	3.60 ***	0.15	2.86 ***	0.19	2.89 ***	0.15	3.36 ***	0.39	1.99 **
DMNC	0.11	0.97	0.11	0.86	0.10	0.51	0.33	2.44 **	-0.19	-1.08	-0.06	-0.25	-0.06	-0.44	0.11	0.93	-0.27	-1.19
DBK	0.31	3.32 ***	0.28	2.38 **	0.39	2.44 **	0.37	2.71 ***	0.27	2.01 **	0.68	5.34 ***	-0.06	-0.44	0.34	3.49 ***	-0.01	-0.05
DUP	0.11	0.81	0.10	0.61	0.11	0.46	0.09	0.56	0.14	0.70	0.22	1.10	-0.03	-0.21	0.01	0.09	0.53	1.63
Adj.R2/Obs.	0.06	298	0.05	201	0.03	97	0.06	156	0.08	142	0.16	133	0.02	165	0.06	271	0.11	27
Hausman-Wu test	-1.33	0.18	-0.97	0.33	-1.65	0.10	0.09	0.93	-1.30	0.20	-0.05	0.96	-2.06	0.04 **	-1.14	0.26	-0.21	0.84
Mean & S.D. of Y	3.52	0.80	3.52	0.80	3.52	0.80	3.53	0.82	3.51	0.77	3.34	0.81	3.66	0.76	3.50	0.80	3.71	0.76
Num of MNC	75		51		24		39		36		11		64		62		13	
Dependent Variable: lnWP																		
C	2.33	21.13 ***	2.29	17.39 ***	2.45	12.49 ***	2.26	13.19 ***	2.37	16.06 ***	2.25	13.04 ***	2.20	14.06 ***	2.32	20.44 ***	2.51	6.64 ***
ln(K/LP)	0.05	1.69 *	0.05	1.42	0.04	0.70	0.06	1.37	0.05	1.17	0.06	1.30	0.13	2.54 **	0.05	1.64	0.06	0.55
DMNC	0.04	0.47	0.05	0.51	0.00	0.03	0.15	1.50	-0.08	-0.74	-0.41	-2.12 **	0.03	0.38	0.04	0.44	-0.11	-0.63
DBK	0.30	4.33 ***	0.32	3.79 ***	0.24	2.04 **	0.24	2.23 **	0.34	3.81 ***	0.35	3.47 ***	0.21	2.23 **	0.35	4.85 ***	-0.17	-0.76
DUP	0.26	3.02 ***	0.19	1.79 *	0.44	4.09 ***	0.22	2.02 **	0.29	2.13 **	0.21	1.78 *	0.23	2.18 **	0.23	2.40 **	0.33	1.91 *
Adj.R2/Obs.	0.06	298	0.05	201	0.06	97	0.05	156	0.07	142	0.10	133	0.06	165	0.07	271	0.01	27
Hausman-Wu test	-0.85	0.39	-1.12	0.26	-0.59	0.56	0.11	0.91	-0.11	0.91	-0.48	0.63	-2.36	0.02 **	-1.05	0.29	0.03	0.98
Mean & S.D. of Y	2.63	0.56	2.59	0.57	2.71	0.52	2.63	0.57	2.63	0.54	2.55	0.58	2.69	0.54	2.62	0.56	2.70	0.51
Num of MNC	75		51		24		39		36		11		64		62		13	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B4 (Continued) : Textiles

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.46	12.52 ***	3.50	8.16 ***	3.09	7.93 ***	3.03	8.86 ***	3.35	6.81 ***	3.21	9.06 ***	3.92	9.48 ***	3.40	10.10 ***	3.56	7.72 ***
ln(K/LN)	-0.05	-1.15	-0.08	-1.22	0.02	0.41	0.04	0.73	-0.10	-1.58	-0.01	-0.22	-0.10	-1.28	-0.04	-0.82	-0.05	-0.77
DMNC	0.29	2.75 ***	0.53	2.73 ***	0.19	1.51	0.29	2.54 **	0.20	0.96	0.28	2.06 **	0.17	0.91	0.25	1.83 *	0.31	1.82 *
DBK	0.13	0.92	0.41	2.02 **	0.05	0.29	-0.06	-0.39	0.77	2.35 **	0.12	0.67	0.20	0.93	0.17	0.94	0.05	0.22
DUP	0.12	0.79	0.17	0.81	0.12	0.61	-0.13	-0.76	0.82	2.46 **	0.12	0.63	0.15	0.65	0.11	0.57	0.13	0.57
Adj.R2/Obs.	0.02	288	0.11	85	0.00	203	0.03	190	0.07	98	0.01	214	-0.04	74	0.01	205	-0.01	83
Hausman-Wu test	0.74	0.46	0.24	0.81	-1.04	0.30	1.70	0.09 *	0.14	0.89	-0.91	0.36	1.95	0.05 *	0.27	0.79	-0.03	0.97
Mean & S.D. of Y	3.38	0.74	3.47	0.68	3.35	0.77	3.28	0.71	3.57	0.77	3.31	0.74	3.59	0.71	3.35	0.74	3.46	0.74
Num of MNC	85		21		64		61		24		47		38		46		39	
Dependent Variable: lnWP																		
C	2.52	17.18 ***	2.50	10.24 ***	2.44	11.71 ***	2.38	12.20 ***	2.48	11.95 ***	2.38	13.08 ***	2.86	12.92 ***	2.54	14.69 ***	2.57	10.19 ***
ln(K/LP)	-0.03	-0.90	-0.02	-0.32	-0.01	-0.25	0.00	0.12	-0.03	-0.54	0.01	0.29	-0.12	-2.13 **	-0.02	-0.53	-0.09	-1.67 *
DMNC	0.12	1.66 *	0.06	0.46	0.13	1.62	0.15	1.89 *	0.02	0.12	0.11	1.23	0.11	1.02	0.02	0.24	0.37	2.97 ***
DBK	0.13	1.29	0.21	1.36	0.10	0.73	0.05	0.46	0.32	1.97 **	0.08	0.71	0.23	1.40	0.11	0.97	0.14	0.76
DUP	0.10	0.98	0.16	0.82	0.10	0.74	0.02	0.14	0.32	1.81 *	0.10	0.75	0.13	0.68	0.05	0.42	0.22	1.14
Adj.R2/Obs.	0.00	288	-0.02	85	-0.01	203	0.00	190	-0.01	98	-0.01	214	0.03	74	-0.01	205	0.05	83
Hausman-Wu test	1.22	0.22	-0.28	0.78	-0.25	0.80	1.74	0.08 *	0.20	0.84	0.33	0.74	3.59	0.00 ***	1.32	0.19	0.93	0.35
Mean & S.D. of Y	2.55	0.54	2.60	0.52	2.53	0.54	2.48	0.53	2.68	0.52	2.52	0.55	2.65	0.48	2.56	0.53	2.54	0.55
Num of MNC	85		21		64		61		24		47		38		46		39	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B5 (Continued) : Apparel

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.25	17.65 ***	3.03	11.52 ***	3.48	13.76 ***	3.15	7.77 ***	3.15	14.94 ***	3.10	9.12 ***	3.33	14.84 ***	3.47	15.12 ***	3.25	9.84 ***
ln(K/LN)	0.10	3.11 ***	0.12	2.94 ***	0.09	1.52	0.10	1.33	0.14	3.47 ***	0.16	2.81 ***	0.08	1.90 *	0.09	2.41 **	0.07	1.13
DMNC	0.27	2.78 ***	0.25	2.11 **	0.32	1.79 *	0.48	2.82 ***	0.21	1.76 *	0.18	0.90	0.30	2.74 ***	0.05	0.41	0.44	2.81 ***
DBK	0.09	0.70	0.20	1.21	0.02	0.09	0.01	0.05	0.11	0.74	0.07	0.26	0.09	0.70	-0.10	-0.54	0.42	2.49 **
DUP	0.08	0.60	0.23	1.27	-0.09	-0.53	-0.14	-0.59	0.18	1.16	-0.17	-0.62	0.25	1.72 *	-0.04	-0.19	0.26	1.45
Adj.R2/Obs.	0.05	297	0.04	198	0.05	99	0.06	68	0.06	229	0.04	105	0.06	192	0.01	233	0.13	64
Hausman-Wu test	-1.56	0.12	-1.28	0.20	-0.14	0.89	-1.46	0.15	-0.25	0.81	-1.32	0.19	-1.02	0.31	-0.99	0.33	0.69	0.49
Mean & S.D. of Y	3.87	0.65	3.83	0.67	3.93	0.60	3.74	0.65	3.90	0.65	3.84	0.66	3.88	0.65	3.80	0.62	4.10	0.70
Num of MNC	62		37		25		16		46		8		54		31		31	
Dependent Variable: lnWP																		
C	2.72	28.54 ***	2.62	16.91 ***	2.80	23.59 ***	2.26	11.19 ***	2.84	25.89 ***	2.98	17.64 ***	2.61	23.86 ***	2.74	21.03 ***	2.66	17.28 ***
ln(K/LP)	0.04	1.49	0.07	2.05 **	-0.02	-0.40	0.16	2.65 ***	0.02	0.60	0.00	-0.08	0.06	1.89 *	0.02	0.85	0.07	1.33
DMNC	0.17	2.92 ***	0.15	2.16 **	0.25	2.53 **	0.26	2.35 **	0.14	2.02 **	0.12	0.83	0.20	3.12 ***	0.16	2.22 **	0.15	1.50
DBK	0.20	2.57 **	0.23	1.85 *	0.22	2.16 **	0.28	1.65 *	0.13	1.44	0.06	0.42	0.25	2.79 ***	0.20	1.80 *	0.23	2.00 **
DUP	0.19	2.03 **	0.25	1.85 *	0.12	0.89	0.11	0.60	0.19	1.72 *	0.05	0.33	0.25	2.13 **	0.23	1.89 *	0.03	0.10
Adj.R2/Obs.	0.04	297	0.04	198	0.02	99	0.17	68	0.01	229	-0.03	105	0.07	192	0.02	233	0.07	64
Hausman-Wu test	-1.23	0.22	0.05	0.96	-1.66	0.10	-1.07	0.29	-1.05	0.29	-1.21	0.23	-0.80	0.43	-1.78	0.08 *	0.35	0.73
Mean & S.D. of Y	3.02	0.42	3.04	0.42	2.98	0.44	2.96	0.46	3.04	0.41	3.04	0.44	3.01	0.42	3.01	0.42	3.05	0.45
Num of MNC	62		37		25		16		46		8		54		31		31	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B6 (Continued) : Footwear & leather

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.44	10.93 ***	3.49	6.21 ***	3.56	9.43 ***	3.88	7.55 ***	3.18	8.08 ***	3.10	6.18 ***	3.74	9.75 ***	3.52	8.50 ***	3.13	5.99 ***
ln(K/LN)	0.08	1.45	0.08	0.87	0.05	0.72	0.09	1.01	0.07	0.81	0.14	1.66 *	0.02	0.27	0.05	0.71	0.14	1.73 *
DMNC	0.29	1.75 *	0.51	2.09 **	0.02	0.09	-0.10	-0.61	0.46	1.95 *	0.52	2.38 **	0.24	1.14	0.47	1.67 *	0.25	1.21
DBK	0.30	1.57	0.19	0.83	0.32	1.23	-0.18	-1.25	0.60	2.22 **	0.30	1.02	0.34	1.72 *	0.39	1.32	0.26	1.02
DUP	-0.06	-0.28	-0.18	-0.65	0.04	0.16	-0.87	-3.79 ***	0.38	1.29	-0.09	-0.32	0.00	0.01	0.06	0.22	-0.29	-0.94
Adj.R2/Obs.	0.07	112	0.11	55	0.01	57	0.20	41	0.11	71	0.06	51	0.02	61	0.03	62	0.08	50
Hausman-Wu test	-0.06	0.95	-1.63	0.11	2.04	0.05 **	-0.79	0.43	-0.08	0.94	1.51	0.14	-0.56	0.58	0.70	0.48	-0.62	0.54
Mean & S.D. of Y	4.03	0.70	4.08	0.72	3.99	0.67	4.07	0.61	4.01	0.75	3.92	0.72	4.13	0.67	4.01	0.64	4.06	0.77
Num of MNC	25		14		11		7		18		4		21		7		18	
Dependent Variable: lnWP																		
C	2.81	21.83 ***	3.17	12.62 ***	2.75	18.35 ***	2.95	9.47 ***	2.77	19.09 ***	2.80	18.77 ***	2.69	10.71 ***	3.04	17.50 ***	2.50	13.13 ***
ln(K/LP)	0.00	-0.09	-0.06	-0.86	0.01	0.10	-0.01	-0.11	-0.02	-0.38	0.01	0.30	-0.02	-0.22	-0.07	-1.33	0.09	1.62
DMNC	0.25	2.24 **	0.38	2.71 ***	0.07	0.39	0.32	1.63	0.22	1.70 *	0.44	3.89 ***	0.28	2.03 **	0.19	0.88	0.33	2.32 **
DBK	0.31	2.46 **	0.03	0.23	0.41	2.56 **	0.25	1.47	0.35	2.05 **	0.33	2.19 **	0.43	1.66 *	0.26	1.68 *	0.32	1.55
DUP	0.25	1.85 *	0.11	0.68	0.21	1.08	0.03	0.13	0.39	2.18 **	0.27	1.99 **	0.34	1.21	0.34	2.22 **	-0.02	-0.07
Adj.R2/Obs.	0.04	112	0.05	55	0.05	57	0.00	41	0.04	71	0.08	51	0.01	61	0.04	62	0.10	50
Hausman-Wu test	0.27	0.79	0.10	0.92	0.30	0.77	1.36	0.18	0.28	0.78	-0.62	0.54	0.37	0.71	0.29	0.77	-0.28	0.78
Mean & S.D. of Y	3.08	0.51	3.15	0.51	3.02	0.51	3.11	0.54	3.07	0.50	3.09	0.41	3.08	0.59	3.09	0.45	3.07	0.59
Num of MNC	25		14		11		7		18		4		21		7		18	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B7 (Continued) : Chemicals

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.97	17.06 ***	3.66	13.36 ***	4.04	10.10 ***	3.58	7.87 ***	4.16	16.24 ***	3.94	15.96 ***	3.30	3.76 ***	4.16	15.41 ***	4.00	10.62 ***
ln(K/LN)	-0.06	-1.61	0.00	-0.07	-0.06	-0.97	-0.02	-0.30	-0.01	-0.22	-0.05	-1.29	0.01	0.09	-0.12	-2.74 ***	0.00	-0.06
DMNC	0.26	2.42 **	0.51	4.38 ***	0.02	0.10	0.18	1.13	0.22	1.54	0.37	3.22 ***	0.02	0.09	0.42	3.17 ***	0.05	0.29
DBK	0.25	1.89 *	0.23	1.39	0.28	1.39	0.34	1.86 *	-0.10	-0.51	0.23	1.57	0.47	1.69 *	0.40	2.54 **	-0.05	-0.23
DUP	0.18	1.19	0.36	1.93 *	0.01	0.06	0.35	1.61	-0.20	-0.92	0.20	1.13	0.30	0.95	-0.01	-0.06	0.27	1.16
Adj.R2/Obs.	0.02	315	0.08	188	0.02	127	0.01	133	0.00	182	0.03	277	-0.06	38	0.11	165	0.00	150
Hausman-Wu test	-0.02	0.98	-0.22	0.83	0.05	0.96	-0.48	0.64	-0.81	0.42	0.32	0.75	0.57	0.57	-0.61	0.54	0.34	0.73
Mean & S.D. of Y	3.94	0.81	4.01	0.77	3.85	0.86	3.77	0.84	4.07	0.76	3.98	0.81	3.67	0.80	3.87	0.80	4.02	0.81
Num of MNC	109		52		57		46		63		79		30		57		52	
Dependent Variable: lnWP																		
C	2.85	19.44 ***	2.67	14.28 ***	3.01	12.23 ***	2.90	13.00 ***	2.79	12.90 ***	2.90	17.54 ***	2.08	7.08 ***	2.96	17.73 ***	2.71	9.88 ***
ln(K/LP)	0.01	0.28	0.04	0.96	-0.01	-0.29	0.00	-0.06	0.04	1.13	0.00	0.00	0.16	2.87 ***	-0.02	-0.72	0.05	1.17
DMNC	0.15	1.65 *	0.27	2.42 **	0.05	0.35	0.07	0.56	0.15	1.25	0.25	2.50 **	-0.24	-1.13	0.22	1.95 *	0.02	0.14
DBK	0.04	0.41	0.10	0.68	-0.08	-0.49	0.00	0.04	-0.01	-0.04	0.03	0.25	0.13	0.72	0.05	0.42	0.03	0.16
DUP	-0.03	-0.28	0.07	0.43	-0.15	-0.94	-0.13	-0.85	-0.02	-0.08	-0.06	-0.42	0.12	0.65	-0.23	-1.53	0.21	1.18
Adj.R2/Obs.	0.00	315	0.03	188	-0.03	127	-0.02	133	0.01	182	0.02	277	0.02	38	0.03	165	0.01	150
Hausman-Wu test	1.50	0.13	0.86	0.39	1.43	0.15	2.44	0.02 **	0.17	0.86	1.08	0.28	-1.67	0.10	1.49	0.14	0.82	0.42
Mean & S.D. of Y	2.95	0.62	2.99	0.62	2.90	0.62	2.89	0.65	3.00	0.59	2.98	0.63	2.79	0.53	2.90	0.61	3.01	0.63
Num of MNC	109		52		57		46		63		79		30		57		52	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B8 (Continued) : Rubber

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.15	11.22 ***	3.18	8.38 ***	3.06	6.28 ***	2.92	7.50 ***	3.21	7.58 ***	3.01	8.20 ***	3.10	7.53 ***	3.24	10.91 ***	2.57	3.38 ***
ln(K/LN)	0.05	0.90	0.04	0.64	0.05	0.54	0.08	1.08	0.05	0.65	0.04	0.54	0.07	0.90	0.03	0.58	0.18	1.23
DMNC	-0.22	-1.84 *	-0.05	-0.29	-0.39	-2.52 **	-0.14	-0.92	-0.34	-1.86 *	-0.37	-2.45 **	-0.23	-1.56	-0.24	-1.78 *	-0.54	-1.46
DBK	0.26	2.27 **	0.05	0.28	0.49	3.15 ***	0.12	0.75	0.40	2.39 **	0.48	2.85 ***	0.15	0.86	0.17	1.36	0.68	2.50 **
DUP	0.33	2.12 **	0.41	1.64	0.35	1.70 *	0.46	2.20 **	0.12	0.64	0.49	2.75 ***	0.31	1.18	0.30	1.69 *	0.31	1.02
Adj.R2/Obs.	0.05	173	-0.01	98	0.16	75	0.04	104	0.06	69	0.13	66	0.01	107	0.03	152	0.15	21
Hausman-Wu test	0.42	0.68	0.34	0.73	0.01	0.99	0.64	0.52	0.20	0.84	0.48	0.63	-0.25	0.80	0.31	0.75	0.85	0.41
Mean & S.D. of Y	3.44	0.72	3.45	0.73	3.43	0.72	3.40	0.75	3.49	0.68	3.44	0.66	3.44	0.76	3.41	0.73	3.66	0.68
Num of MNC	59		30		29		38		21		11		48		47		12	
Dependent Variable: lnWP																		
C	2.19	16.11 ***	2.45	16.56 ***	1.81	6.70 ***	2.16	12.46 ***	2.17	9.88 ***	2.28	11.17 ***	2.17	13.09 ***	2.22	15.03 ***	1.49	3.82 ***
ln(K/LP)	0.09	2.27 **	0.01	0.29	0.17	2.70 ***	0.08	1.79 *	0.11	1.74 *	0.08	1.42	0.08	1.80 *	0.08	2.02 **	0.34	2.53 **
DMNC	-0.25	-2.76 ***	-0.16	-1.28	-0.34	-2.64 ***	-0.22	-1.87 *	-0.32	-2.02 **	-0.13	-0.92	-0.26	-2.25 **	-0.28	-2.57 **	-0.64	-1.82 *
DBK	0.32	3.06 ***	0.07	0.38	0.54	3.88 ***	0.28	2.03 **	0.34	2.20 **	0.25	1.70 *	0.32	1.91 *	0.29	2.45 **	0.53	2.52 **
DUP	0.29	2.40 **	0.39	1.69 *	0.34	1.95 *	0.38	2.34 **	0.15	0.83	0.27	1.98 **	0.25	1.27	0.22	1.43	0.43	2.62 ***
Adj.R2/Obs.	0.12	173	0.02	98	0.28	75	0.11	104	0.08	69	0.03	66	0.08	107	0.10	152	0.15	21
Hausman-Wu test	-1.27	0.21	-0.41	0.68	0.06	0.95	-1.57	0.12	-1.09	0.28	0.90	0.37	-1.04	0.30	-0.94	0.35	-1.18	0.26
Mean & S.D. of Y	2.53	0.58	2.49	0.55	2.57	0.62	2.50	0.57	2.57	0.60	2.68	0.54	2.43	0.59	2.51	0.60	2.65	0.40
Num of MNC	59		30		29		38		21		11		48		47		12	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B9 (Continued) : Plastics

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.19	12.35 ***	3.36	9.00 ***	2.92	7.83 ***	3.06	6.45 ***	3.08	10.21 ***	3.07	10.36 ***	3.34	6.22 ***	3.09	10.05 ***	3.12	7.31 ***
ln(K/LN)	0.00	-0.05	-0.06	-1.06	0.06	0.92	0.00	0.00	0.05	0.87	0.02	0.38	-0.04	-0.47	-0.01	-0.15	0.03	0.49
DMNC	0.34	3.11 ***	0.49	3.37 ***	0.31	2.28 **	0.33	2.11 **	0.33	2.14 **	0.30	2.03 **	0.47	2.49 **	0.35	2.29 **	0.38	2.35 **
DBK	0.28	2.13 **	0.48	2.64 ***	0.18	1.04	0.32	1.85 *	0.17	0.90	0.30	1.82 *	0.27	1.26	0.43	2.46 **	0.11	0.55
DUP	0.17	1.15	0.35	1.82 *	0.08	0.43	0.33	1.55	-0.07	-0.35	0.19	1.03	0.07	0.31	0.40	2.03 **	-0.19	-0.97
Adj.R2/Obs.	0.03	264	0.05	97	0.02	167	0.02	126	0.03	138	0.02	199	0.03	65	0.04	181	0.03	83
Hausman-Wu test	-1.05	0.29	-0.97	0.33	-2.33	0.02 **	-1.62	0.11	-0.45	0.66	-0.25	0.80	-2.23	0.03 **	-0.57	0.57	-2.15	0.04 **
Mean & S.D. of Y	3.46	0.74	3.47	0.73	3.46	0.74	3.40	0.78	3.53	0.69	3.46	0.73	3.48	0.75	3.47	0.74	3.45	0.74
Num of MNC	68		17		51		33		35		38		30		34		34	
Dependent Variable: lnWP																		
C	2.49	14.03 ***	2.95	10.60 ***	2.12	10.26 ***	2.56	9.01 ***	2.36	9.89 ***	2.24	10.52 ***	2.70	8.93 ***	2.33	11.02 ***	2.71	9.71 ***
ln(K/LP)	-0.03	-0.77	-0.11	-2.09 **	0.03	0.71	-0.05	-0.96	0.03	0.55	0.02	0.36	-0.07	-1.12	-0.03	-0.65	-0.03	-0.47
DMNC	0.15	1.66 *	0.16	1.11	0.16	1.48	0.02	0.16	0.24	1.70 *	0.07	0.55	0.27	1.88 *	0.06	0.46	0.14	1.08
DBK	0.17	1.53	0.05	0.28	0.29	2.27 **	0.18	1.29	0.12	0.69	0.33	2.48 **	-0.10	-0.57	0.32	2.30 **	0.01	0.05
DUP	0.15	1.30	0.08	0.42	0.27	1.89 *	0.15	0.92	0.08	0.45	0.25	1.73 *	0.07	0.33	0.25	1.68 *	0.10	0.56
Adj.R2/Obs.	0.00	264	-0.01	97	0.02	167	-0.01	126	0.01	138	0.01	199	0.03	65	0.01	181	-0.03	83
Hausman-Wu test	1.60	0.11	1.06	0.29	0.98	0.33	0.65	0.52	1.39	0.17	1.66	0.10 *	0.18	0.86	1.55	0.12	0.37	0.71
Mean & S.D. of Y	2.56	0.60	2.63	0.61	2.52	0.59	2.49	0.58	2.62	0.60	2.57	0.60	2.54	0.58	2.50	0.59	2.70	0.58
Num of MNC	68		17		51		33		35		38		30		34		34	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B10 (Continued) : Non-metallic mineral products

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.46	15.41 ***	3.51	13.99 ***	3.47	7.86 ***	3.20	10.96 ***	3.75	9.85 ***	3.47	14.74 ***	3.07	3.50 ***	3.55	15.87 ***	1.78	1.54
ln(K/LN)	0.00	0.07	0.00	0.06	-0.01	-0.17	0.04	0.90	-0.04	-0.59	0.00	0.04	0.08	0.49	-0.01	-0.32	0.27	1.50
DMNC	0.07	0.48	0.18	0.88	-0.03	-0.17	0.11	0.55	0.00	-0.01	0.08	0.62	-0.14	-0.36	-0.03	-0.22	0.53	1.46
DBK	0.49	4.59 ***	0.45	3.74 ***	0.55	2.81 ***	0.42	3.03 ***	0.54	2.97 ***	0.45	4.13 ***	0.85	2.06 **	0.50	4.60 ***	0.51	1.27
DUP	0.28	2.40 **	0.01	0.05	0.74	4.00 ***	0.24	1.41	0.27	1.68 *	0.27	2.15 **	0.37	1.07	0.31	2.64 ***	0.01	0.02
Adj.R2/Obs.	0.06	314	0.06	199	0.10	115	0.04	203	0.07	111	0.05	284	-0.01	30	0.07	286	0.00	28
Hausman-Wu test	-0.14	0.89	-0.38	0.71	0.18	0.85	0.80	0.42	-0.70	0.49	0.48	0.63	-2.57	0.02 **	0.27	0.79	-1.15	0.26
Mean & S.D. of Y	3.65	0.78	3.64	0.73	3.67	0.88	3.59	0.79	3.76	0.76	3.64	0.76	3.79	0.97	3.65	0.76	3.65	0.98
Num of MNC	37		14		23		17		20		23		14		27		10	
Dependent Variable: lnWP																		
C	2.75	22.89 ***	2.81	19.11 ***	2.65	12.66 ***	2.55	16.27 ***	2.89	14.50 ***	2.73	20.45 ***	2.75	12.05 ***	2.76	22.08 ***	2.68	5.38 ***
ln(K/LP)	0.01	0.45	0.00	-0.02	0.03	0.72	0.06	1.51	-0.02	-0.41	0.02	0.65	-0.05	-0.75	0.01	0.30	0.03	0.24
DMNC	0.06	0.69	0.13	0.92	0.02	0.14	-0.01	-0.11	0.09	0.72	0.10	0.84	0.06	0.39	0.10	0.91	-0.05	-0.24
DBK	0.22	2.82 ***	0.27	2.65 ***	0.14	1.09	0.13	1.24	0.32	2.69 ***	0.17	2.06 **	0.56	3.43 ***	0.20	2.38 **	0.43	1.89 *
DUP	0.20	2.55 **	0.09	0.96	0.37	3.04 ***	0.13	1.44	0.25	1.80 *	0.16	1.97 **	0.51	2.42 **	0.22	2.91 ***	-0.10	-0.21
Adj.R2/Obs.	0.02	314	0.02	199	0.03	115	0.00	203	0.04	111	0.01	284	0.28	30	0.02	286	-0.07	28
Hausman-Wu test	0.56	0.58	0.08	0.93	0.64	0.53	0.07	0.95	1.42	0.16	0.60	0.55	0.60	0.56	0.61	0.54	0.03	0.98
Mean & S.D. of Y	2.89	0.58	2.89	0.58	2.90	0.57	2.84	0.57	2.99	0.58	2.89	0.59	2.89	0.49	2.90	0.57	2.85	0.63
Num of MNC	37		14		23		17		20		23		14		27		10	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B11 (Continued) : Fabricated metals

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.82	17.07 ***	3.37	10.39 ***	4.11	13.50 ***	3.80	9.87 ***	3.73	12.35 ***	3.75	16.40 ***	4.65	5.72 ***	3.82	15.62 ***	3.93	7.88 ***
ln(K/LN)	-0.02	-0.57	0.08	1.34	-0.07	-1.54	-0.03	-0.52	0.01	0.28	0.00	-0.10	-0.16	-1.20	-0.02	-0.61	-0.03	-0.33
DMNC	0.03	0.27	0.16	0.99	-0.04	-0.35	0.03	0.19	0.05	0.35	0.13	1.13	-0.13	-0.55	0.03	0.27	-0.04	-0.22
DBK	0.20	2.05 **	0.22	1.57	0.15	1.17	0.25	1.79 *	0.16	1.23	0.18	1.69 *	0.13	0.47	0.22	1.97 **	0.17	0.97
DUP	0.25	1.96 **	0.21	1.27	0.20	1.11	0.31	1.70 *	0.21	1.19	0.22	1.52	0.35	1.18	0.16	1.28	0.36	1.53
Adj.R2/Obs.	0.00	296	0.01	137	0.01	159	0.00	138	-0.02	158	0.00	247	-0.01	49	0.00	184	-0.01	112
Hausman-Wu test	-1.28	0.20	-0.58	0.57	-0.95	0.34	0.02	0.98	-1.37	0.17	-1.48	0.14	1.74	0.09 *	-1.62	0.11	0.95	0.34
Mean & S.D. of Y	3.89	0.70	3.98	0.67	3.82	0.71	3.83	0.72	3.95	0.68	3.91	0.67	3.79	0.83	3.86	0.63	3.94	0.79
Num of MNC	78		29		49		45		33		48		30		30		48	
Dependent Variable: lnWP																		
C	2.90	22.72 ***	2.77	18.74 ***	2.97	15.40 ***	2.81	12.89 ***	2.90	18.40 ***	2.98	22.05 ***	2.71	9.57 ***	2.88	18.47 ***	2.90	13.99 ***
ln(K/LP)	0.04	1.38	0.07	1.81 *	0.02	0.49	0.05	1.07	0.05	1.33	0.03	0.91	0.04	0.54	0.05	1.56	0.03	0.62
DMNC	-0.05	-0.63	-0.12	-1.08	0.00	0.00	-0.11	-0.94	0.02	0.21	0.06	0.62	-0.04	-0.21	0.04	0.35	-0.12	-1.07
DBK	0.15	1.83 *	0.22	1.99 **	0.10	0.84	0.16	1.41	0.14	1.22	0.12	1.37	0.08	0.47	0.11	1.02	0.19	1.57
DUP	-0.05	-0.56	0.04	0.27	-0.13	-0.93	0.01	0.04	-0.10	-0.81	-0.05	-0.50	-0.04	-0.18	-0.13	-1.11	0.05	0.34
Adj.R2/Obs.	0.02	296	0.04	137	0.00	159	0.01	138	0.02	158	0.01	247	-0.07	49	0.03	184	0.01	112
Hausman-Wu test	-0.79	0.43	0.06	0.95	-1.49	0.14	-0.77	0.44	0.08	0.94	-1.07	0.28	0.58	0.56	-1.06	0.29	-0.16	0.87
Mean & S.D. of Y	3.10	0.50	3.12	0.46	3.07	0.53	3.06	0.53	3.12	0.47	3.15	0.47	2.84	0.55	3.11	0.48	3.06	0.52
Num of MNC	78		29		49		45		33		48		30		30		48	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B12 (Continued) : General machinery

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.41	12.84 ***	2.49	7.20 ***	3.95	10.85 ***	3.64	7.86 ***	3.13	9.50 ***	3.06	11.12 ***	4.92	8.55 ***	3.02	9.21 ***	4.23	9.40 ***
ln(K/LN)	0.06	1.43	0.20	3.68 ***	-0.02	-0.29	0.03	0.46	0.10	1.80 *	0.12	2.67 ***	-0.10	-0.93	0.12	2.17 **	-0.05	-0.63
DMNC	0.14	1.14	0.45	3.09 ***	0.07	0.32	0.04	0.22	0.23	1.35	0.49	3.21 ***	-0.51	-1.49	0.13	0.81	0.10	0.51
DBK	0.18	1.27	0.47	3.00 ***	-0.04	-0.19	0.08	0.40	0.29	1.52	0.17	1.21	-0.15	-0.53	0.22	1.29	0.13	0.54
DUP	0.11	0.72	0.25	1.38	-0.02	-0.10	0.04	0.17	0.22	1.04	0.23	1.39	-0.14	-0.48	0.22	1.09	-0.13	-0.51
Adj.R2/Obs.	0.00	217	0.14	105	-0.04	112	-0.05	80	0.02	137	0.10	164	0.03	53	0.03	136	-0.03	81
Hausman-Wu test	-0.41	0.68	-0.50	0.62	0.45	0.66	-0.91	0.36	0.57	0.57	0.61	0.54	0.35	0.73	0.55	0.59	-0.71	0.48
Mean & S.D. of Y	3.93	0.78	4.02	0.73	3.84	0.81	3.91	0.78	3.93	0.78	3.94	0.74	3.89	0.87	3.86	0.77	4.04	0.78
Num of MNC	72		26		46		30		42		35		37		35		37	
Dependent Variable: lnWP																		
C	2.74	16.43 ***	2.66	10.82 ***	2.82	11.97 ***	2.42	9.59 ***	2.97	14.97 ***	2.83	14.48 ***	2.55	7.93 ***	3.04	14.87 ***	2.28	9.02 ***
ln(K/LP)	0.13	3.30 ***	0.16	2.61 ***	0.10	1.89 *	0.17	2.74 ***	0.11	2.24 **	0.12	2.55 **	0.18	2.47 **	0.06	1.20	0.25	4.23 ***
DMNC	-0.15	-1.86 *	-0.12	-1.04	-0.14	-1.13	-0.09	-0.66	-0.22	-2.23 **	-0.06	-0.60	-0.33	-1.78 *	-0.02	-0.14	-0.32	-2.80 ***
DBK	0.02	0.19	0.04	0.37	-0.01	-0.08	0.14	1.13	-0.10	-0.90	-0.04	-0.44	0.10	0.56	-0.11	-0.99	0.15	1.16
DUP	-0.02	-0.20	0.09	0.63	-0.16	-1.16	0.20	1.52	-0.20	-1.46	-0.10	-0.85	0.19	1.02	-0.13	-0.93	0.18	1.26
Adj.R2/Obs.	0.05	217	0.06	105	0.02	112	0.07	80	0.05	137	0.04	164	0.06	53	0.00	136	0.22	81
Hausman-Wu test	0.28	0.78	0.82	0.42	-0.82	0.42	0.28	0.78	0.31	0.76	0.41	0.68	-0.51	0.61	0.71	0.48	-0.23	0.82
Mean & S.D. of Y	3.19	0.51	3.26	0.49	3.12	0.53	3.14	0.52	3.21	0.51	3.21	0.52	3.13	0.48	3.17	0.52	3.21	0.50
Num of MNC	72		26		46		30		42		35		37		35		37	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B13 (Continued) : Electric machinery

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.58	14.85 ***	3.66	9.88 ***	3.23	10.18 ***	2.83	5.09 ***	3.66	13.03 ***	3.56	9.97 ***	3.43	8.76 ***	3.68	8.04 ***	3.50	11.62 ***
ln(K/LN)	0.02	0.40	0.04	0.65	0.05	0.93	0.13	1.63	0.00	-0.04	0.01	0.14	0.04	0.74	-0.05	-0.82	0.06	1.18
DMNC	0.04	0.43	0.02	0.13	0.10	0.79	0.03	0.16	0.11	0.87	0.21	1.56	0.03	0.12	0.40	2.71 ***	-0.12	-0.92
DBK	0.27	2.41 **	0.24	1.40	0.32	2.35 **	0.27	1.43	0.29	2.09 **	0.37	1.77 *	0.15	1.04	0.52	2.30 **	0.13	1.00
DUP	0.19	1.63	0.01	0.05	0.33	2.27 **	0.08	0.47	0.27	1.66 *	0.27	1.24	0.11	0.69	0.37	1.54	0.12	0.86
Adj.R2/Obs.	0.01	292	-0.01	109	0.02	183	0.01	104	0.01	188	0.02	141	-0.02	151	0.09	96	0.00	196
Hausman-Wu test	1.02	0.31	0.96	0.34	-0.17	0.86	1.45	0.15	0.44	0.66	1.29	0.20	0.17	0.87	1.74	0.09 *	0.46	0.64
Mean & S.D. of Y	3.87	0.74	4.00	0.73	3.79	0.73	3.77	0.75	3.92	0.72	3.96	0.73	3.78	0.74	3.96	0.70	3.82	0.75
Num of MNC	184		56		128		78		106		49		135		41		143	
Dependent Variable: lnWP																		
C	2.70	19.84 ***	2.55	14.96 ***	2.70	13.66 ***	2.66	10.51 ***	2.63	15.39 ***	2.47	11.12 ***	2.79	15.78 ***	2.44	9.95 ***	2.75	16.50 ***
ln(K/LP)	0.04	1.39	0.11	2.67 ***	0.02	0.55	0.07	1.12	0.04	1.07	0.10	2.10 **	-0.03	-0.80	0.08	1.43	0.02	0.63
DMNC	-0.14	-1.91 *	-0.18	-1.78 *	-0.08	-0.71	-0.10	-0.88	-0.13	-1.27	-0.14	-1.24	0.08	0.59	-0.20	-1.63	-0.07	-0.68
DBK	0.20	2.49 **	0.26	2.30 **	0.16	1.53	0.07	0.63	0.29	2.76 ***	0.28	2.11 **	0.15	1.54	0.44	2.62 ***	0.11	1.18
DUP	0.23	2.50 **	0.17	1.08	0.26	2.29 **	0.01	0.08	0.36	2.99 ***	0.34	2.47 **	0.12	0.98	0.45	2.44 **	0.16	1.45
Adj.R2/Obs.	0.03	292	0.08	109	0.01	183	-0.01	104	0.05	188	0.03	141	-0.01	151	0.07	96	0.00	196
Hausman-Wu test	-0.39	0.70	0.38	0.71	-1.47	0.14	-0.02	0.98	-0.35	0.73	-1.10	0.27	0.49	0.62	-1.52	0.13	1.18	0.24
Mean & S.D. of Y	2.92	0.59	2.99	0.57	2.88	0.61	2.90	0.52	2.93	0.63	3.03	0.61	2.82	0.56	3.02	0.61	2.87	0.58
Num of MNC	184		56		128		78		106		49		135		41		143	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B14 (Continued) : Motor vehicles

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.58	11.33 ***	3.00	6.03 ***	4.19	10.53 ***	3.61	7.03 ***	3.25	6.57 ***	3.53	10.47 ***	4.80	5.93 ***	3.56	9.80 ***	3.28	5.52 ***
ln(K/LN)	0.02	0.35	0.08	0.95	-0.03	-0.41	0.00	0.02	0.08	1.01	0.03	0.50	-0.27	-1.78 *	-0.01	-0.14	0.14	1.21
DMNC	0.31	2.15 **	0.46	2.68 ***	0.14	0.61	0.43	2.07 **	0.26	1.23	0.19	1.23	1.50	4.88 ***	0.17	1.03	0.31	1.07
DBK	0.18	1.25	0.41	2.18 **	-0.11	-0.55	0.09	0.44	0.26	1.04	0.19	1.24	0.11	0.42	0.42	2.35 **	-0.23	-1.01
DUP	0.30	1.76 *	0.53	2.02 **	-0.03	-0.14	0.26	1.08	0.37	1.38	0.35	1.97 **	-1.70	-6.14 ***	0.49	2.47 **	-0.13	-0.38
Adj.R2/Obs.	0.02	161	0.11	76	-0.04	85	0.03	78	-0.01	83	0.01	137	0.37	24	0.02	112	0.10	49
Hausman-Wu test	-0.76	0.45	-0.17	0.86	-0.60	0.55	-1.38	0.17	-0.92	0.36	-0.39	0.70	-0.72	0.48	-0.62	0.54	-2.47	0.02 **
Mean & S.D. of Y	3.96	0.79	3.92	0.79	3.99	0.81	3.94	0.77	3.97	0.82	3.94	0.78	4.02	0.90	3.89	0.83	4.10	0.71
Num of MNC	59		26		33		41		18		46		13		36		23	
Dependent Variable: lnWP																		
C	2.82	18.17 ***	2.71	13.90 ***	2.83	12.02 ***	2.78	11.94 ***	2.87	13.90 ***	2.82	17.87 ***	3.43	14.76 ***	2.71	15.43 ***	3.24	10.90 ***
ln(K/LP)	0.08	2.24 **	0.10	2.20 **	0.10	1.86 *	0.07	1.27	0.11	2.21 **	0.07	1.88 *	-0.09	-1.61	0.09	2.45 **	0.04	0.47
DMNC	0.01	0.06	0.15	1.29	-0.19	-1.12	0.09	0.61	-0.11	-0.66	-0.03	-0.26	0.57	2.82 ***	0.08	0.73	-0.20	-0.82
DBK	0.21	2.10 **	0.32	2.63 ***	0.07	0.45	0.28	2.10 **	0.06	0.40	0.31	2.95 ***	-0.40	-2.05 **	0.29	2.66 ***	-0.09	-0.46
DUP	0.09	0.93	0.24	1.90 *	-0.06	-0.42	0.08	0.65	0.04	0.24	0.15	1.43	-0.90	-5.72 ***	0.16	1.46	-0.11	-0.44
Adj.R2/Obs.	0.03	161	0.12	76	-0.01	85	0.05	78	0.00	83	0.06	137	0.20	24	0.08	112	-0.07	49
Hausman-Wu test	-0.90	0.37	-0.90	0.37	-0.48	0.63	-0.52	0.60	-1.40	0.17	-0.53	0.60	0.89	0.39	-0.92	0.36	-0.16	0.87
Mean & S.D. of Y	3.28	0.53	3.36	0.47	3.20	0.58	3.27	0.53	3.28	0.54	3.30	0.53	3.14	0.57	3.28	0.53	3.26	0.55
Num of MNC	59		26		33		41		18		46		13		36		23	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table B15 (Continued) : Other manufacturing

	All plants		KM/K				KO/K				Exports				Imports			
			Small		Large		Small		Large		<50%		>=50%		<50%		>=50%	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Dependent Variable: lnWN																		
C	3.13	31.85 ***	2.95	22.20 ***	3.35	22.85 ***	2.80	16.92 ***	3.11	24.98 ***	3.14	28.33 ***	3.14	14.74 ***	3.05	27.28 ***	3.50	17.59 ***
ln(K/LN)	0.06	3.68 ***	0.08	3.64 ***	0.04	1.56	0.10	3.93 ***	0.09	4.03 ***	0.05	2.67 ***	0.08	2.40 **	0.07	3.63 ***	0.04	1.12
DMNC	0.21	3.93 ***	0.27	3.78 ***	0.13	1.64	0.21	2.50 **	0.15	2.32 **	0.19	2.63 ***	0.09	1.05	0.17	2.50 **	0.16	1.75 *
DBK	0.38	8.06 ***	0.48	7.50 ***	0.25	3.54 ***	0.29	4.34 ***	0.38	5.64 ***	0.38	6.63 ***	0.48	5.50 ***	0.36	6.78 ***	0.33	3.35 ***
DUP	0.22	3.45 ***	0.21	2.46 **	0.21	2.18 **	0.16	1.65 *	0.19	2.22 **	0.24	3.17 ***	0.24	1.93 *	0.25	3.46 ***	0.07	0.48
Adj.R2/Obs.	0.06	1,350	0.10	740	0.02	610	0.05	649	0.06	701	0.05	969	0.07	381	0.06	1,020	0.03	330
Hausman-Wu test	0.25	0.80	1.44	0.15	-2.04	0.04 **	0.58	0.56	-0.42	0.67	0.43	0.67	0.19	0.85	1.36	0.17	-1.88	0.06 *
Mean & S.D. of Y	3.73	0.79	3.72	0.80	3.75	0.77	3.60	0.81	3.86	0.74	3.68	0.78	3.87	0.80	3.66	0.78	3.95	0.77
Num of MNC	287		157		130		118		169		130		157		172		115	
Dependent Variable: lnWP																		
C	2.76	47.21 ***	2.80	34.75 ***	2.72	31.28 ***	2.69	29.80 ***	2.75	34.05 ***	2.66	36.74 ***	2.88	25.72 ***	2.76	39.85 ***	2.80	25.51 ***
ln(K/LP)	-0.02	-1.45	-0.03	-1.74 *	-0.01	-0.29	0.00	-0.05	-0.02	-0.82	-0.01	-0.40	-0.02	-0.55	-0.02	-1.30	-0.01	-0.55
DMNC	0.09	2.22 **	0.07	1.32	0.10	1.57	0.02	0.28	0.13	2.54 **	0.07	1.15	-0.01	-0.10	0.09	1.69 *	0.05	0.79
DBK	0.32	8.96 ***	0.39	8.50 ***	0.25	4.37 ***	0.28	5.70 ***	0.35	6.31 ***	0.34	7.82 ***	0.35	5.56 ***	0.31	7.56 ***	0.32	4.36 ***
DUP	0.21	4.00 ***	0.16	2.19 **	0.27	3.47 ***	0.05	0.54	0.32	4.48 ***	0.26	4.11 ***	0.15	1.57	0.22	3.70 ***	0.16	1.41
Adj.R2/Obs.	0.06	1,350	0.09	740	0.03	610	0.04	649	0.06	701	0.06	969	0.07	381	0.06	1,020	0.04	330
Hausman-Wu test	1.53	0.13	0.47	0.64	0.73	0.47	1.18	0.24	0.49	0.62	1.27	0.21	0.93	0.35	1.88	0.06 *	0.11	0.91
Mean & S.D. of Y	2.91	0.61	2.91	0.60	2.90	0.62	2.82	0.62	2.99	0.58	2.87	0.60	3.00	0.60	2.88	0.61	2.99	0.59
Num of MNC	287		157		130		118		169		130		157		172		115	

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C1: Regression results of equation (2) and (3), all manufacturing

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
All manufacturing																
C	3.24	45.61 ***	3.69	28.58 ***	3.13	40.99 ***	3.38	23.30 ***	2.70	61.28 ***	2.84	36.13 ***	2.62	58.10 ***	2.67	32.24 ***
ln(K/LN)	0.04	3.45 ***	0.05	2.49 **	0.05	4.17 ***	0.05	2.31 **	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.01	1.42	0.03	1.67 *	0.02	2.27 **	0.03	1.81 *
KM/K	-0.05	-1.02	-0.60	-6.23 ***	-	-	-	-	-0.09	-2.44 **	-0.27	-3.77 ***	-	-	-	-
KO/K	-	-	-	-	0.77	3.00 ***	2.14	3.80 ***	-	-	-	-	0.59	3.90 ***	1.20	3.83 ***
DX	0.13	3.94 ***	-0.11	-2.16 **	0.13	3.96 ***	-0.09	-1.79 *	0.03	1.31	-0.03	-0.88	0.04	1.45	-0.02	-0.62
DM	0.10	3.16 ***	0.13	2.71 ***	0.11	3.25 ***	0.13	2.55 **	0.03	1.39	0.03	0.94	0.04	1.44	0.03	0.83
DBK	0.34	9.83 ***	0.23	4.63 ***	0.32	9.39 ***	0.23	4.45 ***	0.25	10.11 ***	0.22	5.69 ***	0.24	9.52 ***	0.21	5.55 ***
DUP	0.24	5.86 ***	0.17	2.75 ***	0.23	5.55 ***	0.16	2.47 **	0.19	6.20 ***	0.16	3.34 ***	0.18	5.80 ***	0.15	3.17 ***
Food	-0.14	-2.50 **	-0.19	-1.73 *	-0.13	-2.31 **	-0.12	-1.09	-0.21	-5.15 ***	-0.25	-3.17 ***	-0.20	-4.88 ***	-0.22	-2.72 ***
Textiles	-0.44	-8.01 ***	-0.31	-3.07 ***	-0.43	-7.89 ***	-0.38	-3.79 ***	-0.39	-9.37 ***	-0.34	-4.93 ***	-0.39	-9.37 ***	-0.37	-5.46 ***
Apparel	0.02	0.48	0.23	2.41 **	0.01	0.22	0.21	2.14 **	0.04	1.16	0.18	2.84 ***	0.04	1.08	0.17	2.68 ***
Footwear & leather	0.20	2.59 ***	0.37	2.81 ***	0.20	2.51 **	0.38	2.77 ***	0.12	2.16 **	0.29	2.56 **	0.12	2.12 **	0.30	2.51 **
Chemicals	0.14	2.23 **	0.12	1.34	0.14	2.36 **	0.09	1.01	-0.05	-1.09	0.05	0.61	-0.04	-0.97	0.03	0.40
Rubber	-0.12	-1.82 *	-0.47	-4.25 ***	-0.11	-1.69 *	-0.46	-3.99 ***	-0.22	-4.07 ***	-0.52	-5.98 ***	-0.21	-3.92 ***	-0.50	-5.79 ***
Plastics	-0.35	-6.03 ***	-0.18	-1.89 *	-0.35	-5.95 ***	-0.26	-2.73 ***	-0.39	-8.33 ***	-0.31	-3.94 ***	-0.39	-8.32 ***	-0.34	-4.45 ***
Non-metallic mineral products	0.05	1.04	-0.04	-0.29	0.06	1.23	-0.06	-0.45	0.07	1.63	0.05	0.50	0.08	1.91 *	0.04	0.43
Fabricated metals	0.17	3.36 ***	-0.03	-0.34	0.17	3.35 ***	-0.04	-0.36	0.18	5.00 ***	0.09	1.19	0.18	5.00 ***	0.09	1.23
General machinery	0.16	2.51 **	0.16	1.42	0.16	2.51 **	0.11	1.00	0.29	6.22 ***	0.21	2.86 ***	0.29	6.22 ***	0.19	2.56 **
Electric machinery	0.13	1.78 *	0.01	0.14	0.11	1.45	-0.06	-0.80	0.09	1.61	-0.07	-1.19	0.08	1.28	-0.10	-1.75 *
Motor vehicles	0.15	1.79 *	0.23	2.03 **	0.15	1.79 *	0.23	2.01 **	0.33	6.54 ***	0.36	4.14 ***	0.33	6.59 ***	0.37	4.17 ***
Adj.R2/Obs.	0.09	3,177	0.10	1,200	0.09	3,177	0.09	1,200	0.13	3,177	0.15	1,200	0.14	3,177	0.15	1,200
Hausman-Wu test	-0.26	0.79	-0.77	0.44	0.03	0.97	0.03	0.98	0.97	0.33	1.45	0.15	1.17	0.24	2.01	0.04 **
Mean & S.D. of Y	3.68	0.76	3.85	0.82	3.68	0.76	3.85	0.82	2.87	0.59	2.91	0.63	2.87	0.59	2.91	0.63

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C2 (Continued) : Food, and textiles

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Food																
C	2.57	9.07 ***	1.19	1.63	2.55	8.46 ***	1.07	1.44	2.24	15.08 ***	1.29	3.30 ***	2.18	13.37 ***	1.32	3.09 ***
ln(K/LN)	0.13	2.89 ***	0.37	2.78 ***	0.13	2.72 ***	0.37	2.88 ***	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.05	1.48	0.17	1.96 *	0.07	1.89 *	0.19	2.00 **
KM/K	-0.04	-0.15	-0.20	-0.51	-	-	-	-	0.16	0.84	0.31	1.19	-	-	-	-
KO/K	-	-	-	-	0.21	0.15	2.33	0.75	-	-	-	-	1.70	1.86 *	0.53	0.18
DX	0.29	3.00 ***	0.33	1.32	0.29	2.99 ***	0.35	1.41	0.12	1.60	0.68	3.49 ***	0.13	1.77 *	0.68	3.38 ***
DM	0.02	0.12	0.01	0.03	0.01	0.08	0.01	0.05	-0.09	-0.56	-0.02	-0.17	-0.09	-0.52	-0.03	-0.26
DBK	0.30	2.96 ***	0.17	0.80	0.30	2.94 ***	0.16	0.75	0.30	3.89 ***	0.20	1.32	0.28	3.63 ***	0.20	1.28
DUP	-0.05	-0.33	0.26	1.25	-0.06	-0.34	0.28	1.35	0.19	1.86 *	0.27	1.96 **	0.16	1.58	0.27	1.95 *
Adj.R2/Obs.	0.08	223	0.08	75	0.08	223	0.08	75	0.06	223	0.19	75	0.07	223	0.18	75
Hausman-Wu test	-0.62	0.54	-1.97	0.05 *	-0.61	0.54	-1.83	0.07 *	-0.16	0.88	-0.60	0.55	-0.13	0.90	-0.66	0.51
Mean & S.D. of Y	3.49	0.78	3.61	0.84	3.49	0.78	3.61	0.84	2.63	0.54	2.63	0.60	2.63	0.54	2.63	0.60
Textiles																
C	3.15	9.45 ***	3.58	6.89 ***	2.92	8.86 ***	2.97	6.11 ***	2.38	12.74 ***	2.72	11.32 ***	2.29	11.63 ***	2.50	9.40 ***
ln(K/LN)	-0.02	-0.38	0.08	0.79	-0.01	-0.13	0.08	1.11	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.01	0.29	-0.04	-0.66	0.00	0.03	0.00	-0.03
KM/K	-0.24	-1.50	-0.82	-1.96 **	-	-	-	-	-0.21	-1.48	0.00	-0.01	-	-	-	-
KO/K	-	-	-	-	2.10	0.93	6.44	4.90 ***	-	-	-	-	0.83	0.59	2.38	1.96 **
DX	0.33	2.59 ***	-0.02	-0.08	0.32	2.43 **	0.04	0.22	0.27	3.05 ***	0.00	-0.01	0.27	2.95 ***	-0.01	-0.12
DM	-0.05	-0.39	0.08	0.42	-0.07	-0.59	0.12	0.71	-0.22	-2.38 **	0.13	1.05	-0.24	-2.62 ***	0.16	1.36
DBK	0.42	2.22 **	-0.16	-0.72	0.41	2.19 **	-0.27	-1.38	0.25	1.98 **	-0.02	-0.12	0.24	1.94 *	-0.01	-0.07
DUP	0.33	1.59	0.04	0.15	0.31	1.55	-0.02	-0.09	0.26	1.85 *	-0.02	-0.12	0.24	1.73 *	-0.02	-0.14
Adj.R2/Obs.	0.05	203	0.01	85	0.05	203	0.16	85	0.05	203	-0.06	85	0.04	203	0.01	85
Hausman-Wu test	-0.74	0.46	0.63	0.53	-0.57	0.57	1.42	0.16	-0.56	0.57	1.33	0.19	-0.39	0.70	1.84	0.07 *
Mean & S.D. of Y	3.31	0.71	3.55	0.80	3.31	0.71	3.55	0.80	2.52	0.54	2.61	0.52	2.52	0.54	2.61	0.52

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C3 (Continued) : Apparel, and footwear & leather

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Apparel																
C	3.27	13.44 ***	3.35	7.69 ***	3.21	13.00 ***	3.03	6.89 ***	2.77	17.79 ***	2.84	11.62 ***	2.67	19.51 ***	2.64	9.10 ***
ln(K/LN)	0.08	2.22 **	0.14	1.84 *	0.09	2.44 **	0.16	2.25 **	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.01	0.48	0.10	1.71 *	0.03	1.09	0.12	2.04 **
KM/K	0.05	0.33	-0.25	-0.63	-	-	-	-	-0.10	-0.72	-0.11	-0.49	-	-	-	-
KO/K	-	-	-	-	0.47	0.87	1.34	0.84	-	-	-	-	0.29	1.07	1.14	1.17
DX	-0.06	-0.69	-0.15	-0.62	-0.06	-0.70	-0.12	-0.47	-0.07	-1.16	0.03	0.20	-0.07	-1.17	0.08	0.47
DM	0.14	1.04	0.48	2.78 ***	0.14	1.08	0.43	2.41 **	0.06	0.75	-0.01	-0.09	0.07	0.82	-0.04	-0.38
DBK	0.19	1.08	0.00	-0.01	0.17	1.00	0.04	0.22	0.27	2.39 **	0.11	0.90	0.27	2.44 **	0.13	1.16
DUP	0.16	0.86	0.22	1.03	0.15	0.79	0.25	1.10	0.28	2.21 **	-0.01	-0.07	0.28	2.25 **	0.02	0.10
Adj.R2/Obs.	0.00	235	0.11	62	0.00	235	0.11	62	0.02	235	-0.01	62	0.02	235	0.00	62
Hausman-Wu test	-0.31	0.76	-0.84	0.40	-0.46	0.65	-0.82	0.42	-1.48	0.14	0.23	0.82	-1.70	0.09 *	0.33	0.75
Mean & S.D. of Y	3.81	0.63	4.10	0.67	3.81	0.63	4.10	0.67	2.99	0.43	3.13	0.41	2.99	0.43	3.13	0.41
Footwear & leather																
C	3.22	7.64 ***	4.23	4.11 ***	3.64	9.06 ***	3.72	3.60 ***	2.86	15.74 ***	4.30	9.20 ***	2.76	15.33 ***	4.03	10.32 ***
ln(K/LN)	0.10	1.54	0.13	0.68	0.06	0.84	0.17	0.84	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.03	0.60	-0.14	-1.44	0.04	0.75	-0.15	-1.36
KM/K	0.26	1.22	-0.79	-1.40	-	-	-	-	-0.07	-0.40	-1.15	-2.28 **	-	-	-	-
KO/K	-	-	-	-	-1.05	-1.08	-1.39	-0.79	-	-	-	-	0.35	0.60	-4.34	-2.02 **
DX	0.15	1.07	-0.27	-1.41	0.15	1.00	-0.21	-0.95	-0.07	-0.62	-0.65	-2.05 **	-0.07	-0.58	-0.63	-1.75 *
DM	-0.23	-1.37	-0.40	-1.22	-0.21	-1.23	-0.40	-1.15	-0.13	-1.08	0.06	0.21	-0.13	-1.06	0.04	0.13
DBK	0.32	1.21	0.40	1.42	0.26	1.02	0.50	1.67 *	0.30	2.05 **	0.33	1.37	0.32	2.24 **	0.53	1.77 *
DUP	-0.05	-0.20	-0.16	-0.50	-0.10	-0.38	-0.13	-0.37	0.20	1.31	0.42	1.62	0.22	1.50	0.50	2.06 **
Adj.R2/Obs.	0.03	87	-0.07	25	0.03	87	-0.14	25	0.00	87	0.13	25	0.00	87	0.07	25
Hausman-Wu test	0.41	0.68	-1.80	0.09 *	0.36	0.72	-1.40	0.18	0.00	1.00	-0.69	0.50	0.06	0.95	-0.19	0.85
Mean & S.D. of Y	3.96	0.70	4.28	0.65	3.96	0.70	4.28	0.65	3.04	0.49	3.23	0.57	3.04	0.49	3.23	0.57

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C4 (Continued) : Chemicals, and rubber

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Chemicals																
C	4.06	13.58 ***	3.94	8.96 ***	3.86	13.21 ***	3.21	6.32 ***	3.09	15.15 ***	2.79	11.18 ***	3.03	15.80 ***	2.58	7.83 ***
ln(K/LN)	-0.06	-1.47	0.08	1.10	-0.04	-0.82	0.08	1.07	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	-0.01	-0.20	0.08	1.89 *	-0.01	-0.18	0.08	1.54
KM/K	-0.08	-0.35	-1.10	-3.49 ***	-	-	-	-	-0.17	-1.04	-0.44	-1.86 *	-	-	-	-
KO/K	-	-	-	-	1.31	1.53	5.03	3.36 ***	-	-	-	-	-0.13	-0.23	0.97	0.58
DX	-0.11	-0.44	-0.45	-2.33 **	-0.11	-0.44	-0.56	-2.81 ***	-0.13	-0.76	-0.37	-3.02 ***	-0.13	-0.74	-0.43	-3.32 ***
DM	0.16	1.46	0.00	0.02	0.16	1.50	0.01	0.06	0.13	1.58	0.04	0.35	0.13	1.61	0.07	0.55
DBK	0.12	0.60	0.35	2.02 **	0.10	0.51	0.42	2.39 **	-0.15	-1.01	0.16	1.15	-0.14	-0.93	0.18	1.25
DUP	0.04	0.16	0.42	2.07 **	0.03	0.12	0.34	1.69 *	-0.27	-1.53	0.21	1.34	-0.26	-1.46	0.19	1.18
Adj.R2/Obs.	0.00	206	0.14	109	0.01	206	0.13	109	0.00	206	0.06	109	0.00	206	0.04	109
Hausman-Wu test	0.99	0.32	-0.42	0.67	1.02	0.31	-0.46	0.65	0.48	0.63	-0.74	0.46	0.44	0.66	-0.49	0.63
Mean & S.D. of Y	3.89	0.78	4.05	0.86	3.89	0.78	4.05	0.86	2.90	0.59	3.05	0.66	2.90	0.59	3.05	0.66
Rubber																
C	3.24	9.14 ***	2.60	5.48 ***	3.11	9.35 ***	2.12	3.86 ***	2.39	13.31 ***	1.91	6.43 ***	2.32	12.24 ***	1.70	5.31 ***
ln(K/LN)	0.02	0.35	0.11	1.16	0.03	0.55	0.12	1.17	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.05	0.98	0.15	2.10 **	0.07	1.45	0.16	2.22 **
KM/K	-0.10	-0.43	-1.28	-3.86 ***	-	-	-	-	0.13	0.49	-0.47	-1.43	-	-	-	-
KO/K	-	-	-	-	1.11	0.54	3.54	1.24	-	-	-	-	1.07	1.02	1.06	0.50
DX	0.13	1.00	0.47	2.93 ***	0.14	1.05	0.31	1.64	-0.09	-0.87	-0.09	-0.67	-0.08	-0.75	-0.15	-1.03
DM	0.29	1.17	0.16	0.87	0.30	1.23	0.08	0.33	0.14	0.81	-0.02	-0.10	0.14	0.83	-0.05	-0.32
DBK	0.30	2.09 **	0.41	1.79 *	0.28	1.95 *	0.27	1.29	0.20	1.25	0.41	1.93 *	0.23	1.59	0.36	1.78 *
DUP	0.23	1.28	0.81	2.91 ***	0.20	1.13	0.66	1.80 *	0.02	0.16	0.90	3.59 ***	0.04	0.34	0.83	3.14 ***
Adj.R2/Obs.	0.01	114	0.14	59	0.01	114	0.01	59	0.02	114	0.22	59	0.02	114	0.19	59
Hausman-Wu test	1.07	0.29	0.41	0.69	1.08	0.28	-0.51	0.61	-0.12	0.91	-1.62	0.11	-0.37	0.71	-2.30	0.03 **
Mean & S.D. of Y	3.52	0.66	3.28	0.81	3.52	0.66	3.28	0.81	2.62	0.54	2.35	0.63	2.62	0.54	2.35	0.63

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C5 (Continued) : Plastics, and non-metallic mineral products

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Plastics																
C	3.06	9.60 ***	4.20	8.80 ***	3.03	9.23 ***	3.48	7.48 ***	2.42	10.19 ***	3.09	10.36 ***	2.38	10.11 ***	2.48	8.22 ***
ln(K/LN)	0.01	0.21	-0.01	-0.10	0.01	0.24	0.00	0.05	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	-0.01	-0.32	-0.03	-0.50	-0.02	-0.43	-0.05	-0.86
KM/K	-0.02	-0.10	-0.98	-2.40 **	-	-	-	-	-0.13	-0.73	-1.06	-3.05 ***	-	-	-	-
KO/K	-	-	-	-	0.37	0.35	2.42	2.02 **	-	-	-	-	-0.16	-0.18	2.52	1.76 *
DX	-0.07	-0.43	-0.10	-0.53	-0.07	-0.43	0.10	0.60	-0.26	-2.07 **	-0.14	-1.07	-0.27	-2.26 **	0.06	0.53
DM	-0.06	-0.46	-0.07	-0.42	-0.06	-0.48	-0.09	-0.54	0.25	2.40 **	0.29	2.32 **	0.26	2.53 **	0.27	2.26 **
DBK	0.41	2.16 **	0.11	0.60	0.41	2.13 **	0.04	0.26	0.26	1.70 *	0.20	1.47	0.26	1.70 *	0.12	0.93
DUP	0.23	1.11	0.26	1.39	0.23	1.08	0.13	0.65	0.20	1.22	0.28	1.71 *	0.19	1.17	0.13	0.77
Adj.R2/Obs.	0.01	196	-0.02	68	0.01	196	-0.04	68	0.03	196	0.11	68	0.03	196	0.08	68
Hausman-Wu test	-0.41	0.68	-1.35	0.18	-0.41	0.68	-1.59	0.12	1.79	0.08 *	0.75	0.46	1.77	0.08 *	1.00	0.32
Mean & S.D. of Y	3.39	0.75	3.67	0.67	3.39	0.75	3.67	0.67	2.54	0.60	2.63	0.58	2.54	0.60	2.63	0.58
Non-metallic mineral products																
C	3.37	13.63 ***	4.68	4.50 ***	3.30	13.44 ***	3.90	5.14 ***	2.66	19.25 ***	3.88	11.15 ***	2.58	19.17 ***	3.55	11.36 ***
ln(K/LN)	0.01	0.30	-0.10	-0.83	0.02	0.60	-0.05	-0.42	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.03	0.87	-0.14	-2.61 ***	0.04	1.34	-0.12	-2.09 **
KM/K	0.10	0.51	-0.83	-1.31	-	-	-	-	0.05	0.34	-0.32	-0.74	-	-	-	-
KO/K	-	-	-	-	1.32	2.56 **	0.12	0.03	-	-	-	-	1.97	3.04 ***	2.62	1.05
DX	0.15	0.74	-0.02	-0.07	0.07	0.36	-0.08	-0.26	0.00	-0.03	-0.08	-0.54	-0.10	-0.83	-0.07	-0.45
DM	-0.16	-0.74	0.22	0.79	-0.16	-0.73	0.28	0.96	-0.04	-0.20	-0.17	-1.18	-0.04	-0.25	-0.20	-1.30
DBK	0.54	4.74 ***	0.08	0.22	0.52	4.52 ***	0.22	0.67	0.26	3.00 ***	-0.16	-0.82	0.22	2.64 ***	-0.16	-0.78
DUP	0.28	2.24 **	0.34	1.06	0.28	2.23 **	0.27	0.79	0.19	2.32 **	0.01	0.04	0.19	2.33 **	-0.05	-0.27
Adj.R2/Obs.	0.07	277	-0.07	37	0.07	277	-0.13	37	0.02	277	-0.03	37	0.05	277	-0.02	37
Hausman-Wu test	0.36	0.72	-2.09	0.05 **	0.40	0.69	-2.56	0.02 **	0.79	0.43	-0.24	0.81	0.64	0.52	-0.09	0.93
Mean & S.D. of Y	3.63	0.79	3.81	0.77	3.63	0.79	3.81	0.77	2.88	0.59	2.99	0.51	2.88	0.59	2.99	0.51

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C6 (Continued) : Fabricated metals, and general machinery

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Fabricated metals																
C	3.78	14.95 ***	4.13	8.77 ***	3.57	12.84 ***	3.32	5.43 ***	2.94	20.87 ***	3.19	12.20 ***	2.89	19.07 ***	2.92	9.57 ***
ln(K/LN)	0.00	0.02	-0.02	-0.21	0.02	0.36	0.03	0.29	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.04	1.25	0.02	0.42	0.03	1.09	0.04	0.76
KM/K	-0.28	-1.65 *	-0.68	-1.92 *	-	-	-	-	-0.17	-1.47	-0.15	-0.56	-	-	-	-
KO/K	-	-	-	-	0.89	1.30	6.86	2.81 ***	-	-	-	-	-0.07	-0.16	3.15	2.19 **
DX	0.06	0.38	-0.30	-1.40	0.05	0.28	-0.33	-1.52	-0.23	-1.73 *	-0.30	-2.24 **	-0.24	-1.77 *	-0.29	-2.23 **
DM	0.12	1.19	0.24	1.31	0.12	1.19	0.25	1.36	0.05	0.69	-0.04	-0.25	0.05	0.63	-0.02	-0.13
DBK	0.20	1.78 *	0.28	1.53	0.17	1.51	0.35	1.93 *	0.18	1.97 **	0.04	0.33	0.17	1.83 *	0.07	0.49
DUP	0.30	2.40 **	0.10	0.36	0.30	2.41 **	0.20	0.72	0.02	0.19	-0.16	-0.94	0.02	0.19	-0.13	-0.73
Adj.R2/Obs.	0.01	218	0.04	78	0.00	218	0.05	78	0.04	218	0.05	78	0.03	218	0.07	78
Hausman-Wu test	-2.32	0.02 **	-0.34	0.74	-2.41	0.02 **	-0.17	0.87	-0.31	0.76	-1.04	0.30	-0.51	0.61	-0.81	0.42
Mean & S.D. of Y	3.90	0.65	3.87	0.81	3.90	0.65	3.87	0.81	3.11	0.47	3.05	0.57	3.11	0.47	3.05	0.57
General machinery																
C	3.04	9.49 ***	5.01	7.73 ***	2.97	8.94 ***	4.90	6.93 ***	2.93	13.01 ***	2.76	7.64 ***	2.78	12.44 ***	2.63	8.08 ***
ln(K/LN)	0.13	2.91 ***	-0.14	-1.17	0.13	2.59 ***	-0.12	-1.15	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.11	2.29 **	0.15	2.41 **	0.12	2.44 **	0.15	2.37 **
KM/K	-0.15	-0.60	0.04	0.09	-	-	-	-	-0.27	-1.69 *	-0.28	-1.16	-	-	-	-
KO/K	-	-	-	-	-0.14	-0.13	0.96	0.73	-	-	-	-	-0.01	-0.01	-0.04	-0.04
DX	0.48	2.14 **	-0.53	-2.60 ***	0.47	2.03 **	-0.52	-2.52 **	0.10	0.97	-0.12	-0.94	0.09	0.76	-0.14	-1.10
DM	0.21	1.81 *	0.13	0.68	0.22	1.83 *	0.13	0.68	0.12	1.42	-0.11	-0.85	0.13	1.61	-0.07	-0.57
DBK	0.12	0.72	0.06	0.29	0.12	0.71	0.06	0.29	-0.05	-0.48	0.06	0.38	-0.06	-0.52	0.05	0.34
DUP	0.14	0.81	0.00	0.02	0.14	0.82	0.00	0.00	-0.05	-0.40	-0.09	-0.54	-0.05	-0.39	-0.05	-0.35
Adj.R2/Obs.	0.09	145	0.08	72	0.08	145	0.08	72	0.06	145	0.03	72	0.05	145	0.01	72
Hausman-Wu test	1.39	0.17	-0.29	0.77	1.43	0.15	-0.29	0.77	0.37	0.71	-0.11	0.91	0.44	0.66	-0.02	0.99
Mean & S.D. of Y	3.88	0.72	4.02	0.87	3.88	0.72	4.02	0.87	3.20	0.50	3.16	0.54	3.20	0.50	3.16	0.54

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C7 (Continued) : Electric machinery, and motor vehicles

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Electric machinery																
C	4.01	10.74 ***	3.76	11.58 ***	3.80	9.82 ***	3.64	10.57 ***	3.09	13.64 ***	2.71	12.48 ***	2.88	12.86 ***	2.68	12.69 ***
ln(K/LN)	-0.01	-0.20	0.08	1.51	0.00	-0.07	0.05	1.06	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.02	0.49	0.06	1.39	0.04	0.80	0.03	0.68
KM/K	-0.42	-1.81 *	-0.51	-1.94 *	-	-	-	-	-0.28	-1.58	-0.36	-1.90 *	-	-	-	-
KO/K	-	-	-	-	0.51	0.98	0.46	0.52	-	-	-	-	0.63	1.18	-0.55	-0.63
DX	-0.17	-0.78	-0.16	-1.22	-0.19	-0.85	-0.15	-1.14	-0.15	-0.95	-0.10	-0.95	-0.16	-1.02	-0.11	-1.06
DM	0.10	0.74	-0.20	-1.54	0.12	0.82	-0.21	-1.63	-0.14	-1.20	0.04	0.36	-0.12	-0.98	0.05	0.44
DBK	0.07	0.32	0.32	2.46 **	0.02	0.09	0.30	2.31 **	0.07	0.54	0.22	2.21 **	0.04	0.27	0.22	2.21 **
DUP	0.07	0.28	0.19	1.30	0.04	0.16	0.16	1.16	0.08	0.50	0.26	2.35 **	0.07	0.42	0.24	2.15 **
Adj.R2/Obs.	-0.02	108	0.06	184	-0.04	108	0.04	184	0.01	108	0.03	184	0.00	108	0.02	184
Hausman-Wu test	0.23	0.82	-0.66	0.51	0.16	0.88	-0.28	0.78	-0.42	0.67	-0.24	0.81	-0.72	0.47	0.02	0.99
Mean & S.D. of Y	3.87	0.70	3.87	0.76	3.87	0.70	3.87	0.76	3.02	0.58	2.86	0.59	3.02	0.58	2.86	0.59
Motor vehicles																
C	3.46	7.73 ***	3.79	6.72 ***	3.50	7.97 ***	3.89	5.80 ***	3.06	16.36 ***	2.46	6.64 ***	2.79	14.93 ***	2.32	6.36 ***
ln(K/LN)	0.00	-0.01	0.07	0.62	0.01	0.15	-0.02	-0.15	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.05	1.15	0.23	3.11 ***	0.09	2.01 **	0.19	2.89 ***
KM/K	0.48	1.64	-0.98	-2.24 **	-	-	-	-	-0.15	-1.02	-0.65	-2.09 **	-	-	-	-
KO/K	-	-	-	-	1.20	0.83	0.92	0.39	-	-	-	-	2.40	1.93 *	3.24	3.26 ***
DX	-0.28	-1.25	0.29	1.15	-0.28	-1.32	0.34	1.34	-0.45	-2.61 ***	0.10	0.60	-0.44	-2.79 ***	0.11	0.66
DM	-0.05	-0.30	0.54	2.83 ***	-0.02	-0.12	0.40	1.84 *	0.11	0.99	-0.14	-0.92	0.09	0.82	-0.25	-1.68 *
DBK	0.32	1.69 *	0.14	0.73	0.31	1.51	0.14	0.67	0.16	1.40	0.22	1.46	0.10	0.83	0.20	1.27
DUP	0.36	1.76 *	0.34	0.91	0.42	2.11 **	0.21	0.48	0.05	0.41	0.14	0.69	0.01	0.11	0.00	-0.02
Adj.R2/Obs.	0.02	102	0.08	59	0.00	102	0.01	59	0.06	102	0.07	59	0.09	102	0.06	59
Hausman-Wu test	0.17	0.86	0.61	0.55	0.14	0.89	0.64	0.53	-2.26	0.03 **	-0.72	0.48	-2.37	0.02 **	-0.49	0.63
Mean & S.D. of Y	3.86	0.80	4.12	0.77	3.86	0.80	4.12	0.77	3.25	0.48	3.33	0.61	3.25	0.48	3.33	0.61

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.

Appendix Table C8 (Continued) : Other manufacturing

	Dependent Variable: lnWN								Dependent Variable: lnWP							
	Eq. (2-1)				Eq. (2-2)				Eq. (2-1)				Eq. (2-2)			
	Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants		Local plants		MNC plants	
	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.	Coef.	Tstat.
Other manufacturing																
C	3.04	28.18 ***	3.37	12.75 ***	2.93	23.67 ***	3.12	10.61 ***	2.65	36.23 ***	2.84	16.03 ***	2.58	34.56 ***	2.69	15.41 ***
ln(K/LN)	0.06	3.20 ***	0.06	1.61	0.07	3.65 ***	0.07	1.70 *	-	-	-	-	-	-	-	-
ln(K/LP)	-	-	-	-	-	-	-	-	0.00	-0.22	-0.02	-0.56	0.01	0.39	0.00	-0.14
KM/K	0.03	0.36	-0.31	-1.56	-	-	-	-	-0.04	-0.53	-0.09	-0.62	-	-	-	-
KO/K	-	-	-	-	0.98	1.98 **	1.39	1.41	-	-	-	-	0.65	2.50 **	1.43	3.99 ***
DX	0.22	4.09 ***	0.05	0.48	0.23	4.18 ***	0.06	0.64	0.18	4.30 ***	0.08	0.85	0.19	4.43 ***	0.08	0.92
DM	0.22	3.85 ***	0.20	2.00 **	0.22	3.87 ***	0.19	1.97 **	0.06	1.49	0.01	0.09	0.07	1.51	0.01	0.18
DBK	0.39	7.33 ***	0.34	3.16 ***	0.37	6.91 ***	0.34	3.10 ***	0.33	8.32 ***	0.36	4.34 ***	0.32	7.85 ***	0.34	4.06 ***
DUP	0.25	3.47 ***	0.11	0.77	0.23	3.20 ***	0.11	0.77	0.26	4.42 ***	0.10	0.83	0.24	4.15 ***	0.08	0.70
Adj.R2/Obs.	0.08	1,063	0.04	287	0.09	1,063	0.05	287	0.07	1,063	0.06	287	0.08	1,063	0.08	287
Hausman-Wu test	-0.41	0.68	0.63	0.53	-0.01	0.99	1.19	0.24	0.95	0.34	0.74	0.46	1.15	0.25	1.25	0.21
Mean & S.D. of Y	3.69	0.77	3.89	0.83	3.69	0.77	3.89	0.83	2.89	0.60	2.97	0.64	2.89	0.60	2.97	0.64

Notes) 2SLS is used with the ranks of ln(K/LN) or ln(K/LP) and other explanatory variables as instrumental variables.

T-statistics are calculated using White's heteroscedasticity-consistent standard errors.

***=significant at the 1 percent level, ** =significant at the 5 percent level, and *=significant at the 10 percent level.