

# Annex

## Table 6 – Emergence of new activities

(a) OLS Models

	<i>Dependent variable:</i>				
	General Model (1)	Low (2)	Entry Medium-Low (3)	Medium-High (4)	High (5)
Relatedness Density	0.646*** (0.029)	1.373*** (0.130)	0.878*** (0.052)	0.858*** (0.060)	1.048*** (0.085)
PCI	-0.049** (0.019)	-0.020 (0.016)	-0.046** (0.022)	0.016 (0.024)	0.062*** (0.024)
Diversity	-0.005*** (0.001)	-0.016*** (0.003)	-0.014*** (0.002)	-0.032*** (0.005)	-0.031* (0.019)
Log(GDPpc)	-0.002 (0.002)	0.001 (0.004)	0.001 (0.002)	0.004 (0.005)	-0.032* (0.017)
Log(Population)	-0.010*** (0.002)	-0.001 (0.002)	-0.005*** (0.001)	-0.009*** (0.003)	-0.050*** (0.009)
Region Productivity	-0.004 (0.003)	-0.015*** (0.005)	-0.006 (0.004)	0.005 (0.008)	0.037* (0.022)
Region HC	-0.026*** (0.008)	-0.014* (0.008)	-0.039*** (0.008)	-0.060*** (0.023)	0.058 (0.074)
Incentives	0.003 (0.002)	-0.002 (0.003)	0.005** (0.002)	0.006 (0.007)	0.012 (0.030)
Credit	-0.000** (0.000)	0.000 (0.000)	-0.000** (0.000)	-0.000 (0.000)	-0.000 (0.000)
Sector Size	-0.004*** (0.001)	-0.001 (0.001)	-0.004** (0.001)	-0.007*** (0.002)	-0.010*** (0.003)
CL	-0.084*** (0.009)	-0.018** (0.007)	-0.071*** (0.010)	-0.134*** (0.013)	-0.180*** (0.019)
Sector HC	0.008 (0.011)	0.012 (0.011)	-0.002 (0.013)	0.022 (0.014)	0.036 (0.026)
Sector Productivity	-0.002 (0.003)	0.003 (0.003)	-0.0001 (0.003)	-0.005 (0.004)	-0.002 (0.008)
Constant	0.254*** (0.031)	0.109*** (0.035)	0.196*** (0.027)	0.316*** (0.059)	0.606*** (0.154)
Fixed effects - UF	Yes	Yes	Yes	Yes	Yes
Fixed effects - Activities	Yes	Yes	Yes	Yes	Yes
Observations	647,801	71,305	392,864	153,505	30,127
R <sup>2</sup>	0.049	0.046	0.051	0.046	0.062
Residual Std. Error	0.212	0.137	0.199	0.250	0.284
F Statistic	266.430***	29.185***	169.961***	60.857***	17.914***

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Robust standard-errors (clustered at the micro-region and activity level) are in parentheses.

Initial periods (t) are 2009 and 2014 and final (t+5) 2014 and 2019.

(b) Probit models

	<i>Dependent variable:</i>				
	General Model (1)	Low (2)	Entry Medium-Low (3)	Medium-High (4)	High (5)
Relatedness Density	4.931*** (0.285)	12.142*** (1.488)	6.250*** (0.503)	6.918*** (0.617)	8.229*** (0.757)
PCI	-1.045*** (0.205)	-2.447*** (0.345)	-1.496*** (0.235)	-0.090 (0.234)	0.361** (0.168)
Diversity	0.020 (0.014)	-0.067 (0.049)	-0.050** (0.020)	-0.269*** (0.044)	-0.301** (0.137)
Log(GDPpc)	-0.024 (0.024)	-0.042 (0.093)	0.010 (0.022)	0.035 (0.042)	-0.229* (0.125)
Log(Population)	-0.097*** (0.018)	0.070** (0.027)	-0.017 (0.013)	-0.074*** (0.025)	-0.409*** (0.078)
Region Productivity	-0.055 (0.041)	-0.326*** (0.119)	-0.106** (0.042)	0.036 (0.074)	0.220 (0.177)
Region HC	-0.251** (0.099)	-0.210 (0.139)	-0.286*** (0.094)	-0.524*** (0.202)	0.477 (0.569)
Incentives	0.033 (0.024)	-0.102 (0.062)	0.049** (0.024)	0.061 (0.056)	0.094 (0.228)
Credit	-0.000* (0.000)	0.00000 (0.00000)	-0.000* (0.000)	-0.000 (0.000)	-0.000 (0.000)
Sector Size	-0.076*** (0.013)	-0.070*** (0.027)	-0.082*** (0.015)	-0.076*** (0.015)	-0.082*** (0.022)
CL	-0.982*** (0.101)	-0.687*** (0.174)	-0.985*** (0.111)	-1.169*** (0.109)	-1.303*** (0.130)
Sector HC	0.037 (0.114)	0.093 (0.212)	-0.133 (0.139)	0.278** (0.123)	0.387** (0.185)
Sector Productivity	-0.071** (0.035)	-0.043 (0.067)	-0.061 (0.039)	-0.071* (0.037)	0.004 (0.064)
Constant	0.893** (0.347)	0.564 (0.738)	0.547* (0.326)	0.903* (0.521)	3.383*** (1.225)
Fixed effects - UF	Yes	Yes	Yes	Yes	Yes
Fixed effects - Activities	Yes	Yes	Yes	Yes	Yes
Observations	647,801	71,305	392,864	153,505	30,127
Pseudo R <sup>2</sup>	0.12	0.2	0.1	0.1	0.11
Log Likelihood	-112,270.500	-5,637.414	-60,553.320	-35,389.430	-8,407.127
Akaike Inf. Crit.	224,793.000	11,510.830	121,356.600	71,024.870	17,036.250

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Robust standard-errors (clustered at the micro-region and activity level) are in parentheses.

Initial periods (t) are 2009 and 2014 and final (t+5) 2014 and 2019.

Source: own elaboration.

## Table 7 – Exit of activities

(a) OLS Models

	<i>Dependent variable:</i>				
	General Model (1)	Low (2)	Exit Medium-Low (3)	Medium-High (4)	High (5)
Relatedness Density	-1.334*** (0.082)	-1.931** (0.893)	-2.094*** (0.187)	-1.705*** (0.225)	-1.592*** (0.203)
PCI	0.368*** (0.043)	1.437*** (0.231)	0.557*** (0.067)	0.123** (0.052)	-0.058 (0.052)
Diversity	0.027*** (0.006)	0.032 (0.033)	0.059*** (0.009)	0.118*** (0.017)	0.049* (0.025)
Log(GDPpc)	0.005 (0.008)	-0.110*** (0.037)	-0.002 (0.009)	0.001 (0.015)	0.049** (0.019)
Log(Population)	0.023*** (0.005)	-0.011 (0.019)	0.002 (0.006)	0.009 (0.009)	0.078*** (0.017)
Region Productivity	-0.021 (0.016)	0.215*** (0.067)	-0.009 (0.019)	-0.049 (0.030)	-0.134*** (0.034)
Region HC	0.103*** (0.040)	-0.084 (0.115)	0.130*** (0.046)	0.174** (0.084)	0.270* (0.145)
Incentives	-0.009 (0.011)	-0.005 (0.043)	-0.023* (0.013)	0.009 (0.024)	-0.030 (0.054)
Credit	0.000** (0.000)	-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
Sector Size	-0.054*** (0.006)	-0.056** (0.023)	-0.055*** (0.007)	-0.053*** (0.007)	-0.042*** (0.007)
CL	0.290*** (0.039)	0.236 (0.132)	0.268*** (0.047)	0.365*** (0.042)	0.548*** (0.049)
Sector HC	0.112** (0.053)	-0.013 (0.179)	0.129* (0.069)	0.069 (0.054)	0.134** (0.053)
Sector Productivity	0.023* (0.013)	0.074 (0.049)	0.025 (0.018)	0.018 (0.015)	0.003 (0.017)
Constant	-0.185** (0.093)	-1.501*** (0.501)	-0.079 (0.126)	-0.232 (0.181)	-0.322 (0.321)
Fixed effects - UF	Yes	Yes	Yes	Yes	Yes
Fixed effects - Activities	Yes	Yes	Yes	Yes	Yes
Observations	99,919	3,065	47,326	36,775	12,753
R <sup>2</sup>	0.082	0.183	0.116	0.068	0.066
Residual Std. Error	0.429	0.435	0.429	0.429	0.400
F Statistic	71.541***	6.112***	49.956***	21.891***	8.182***

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Robust standard-errors (clustered at the micro-region and activity level) are in parentheses.

Initial periods (t) are 2009 and 2014 and final (t+5) 2014 and 2019.

(b) Probit models

	<i>Dependent variable:</i>				
	General Model (1)	Low (2)	Exit Medium-Low (3)	Medium-High (4)	High (5)
Relatedness Density	-4.507*** (0.291)	-7.094*** (2.988)	-7.186*** (0.608)	-5.542*** (0.754)	-6.272*** (0.747)
PCI	1.102*** (0.140)	4.445*** (0.820)	1.626*** (0.220)	0.358** (0.161)	-0.251 (0.179)
Diversity	0.102*** (0.018)	0.125 (0.108)	0.210*** (0.028)	0.377*** (0.055)	0.228** (0.097)
Log(GDPpc)	0.012 (0.025)	-0.365*** (0.119)	-0.005 (0.030)	0.002 (0.047)	0.159** (0.068)
Log(Population)	0.081*** (0.017)	-0.035 (0.063)	0.013 (0.019)	0.037 (0.030)	0.304*** (0.064)
Region Productivity	-0.066 (0.051)	0.692*** (0.220)	-0.043 (0.062)	-0.152 (0.096)	-0.483*** (0.125)
Region HC	0.338*** (0.125)	-0.219 (0.383)	0.446** (0.148)	0.547** (0.272)	0.877* (0.512)
Incentives	-0.031 (0.034)	-0.011 (0.140)	-0.080* (0.044)	0.030 (0.077)	-0.157 (0.192)
Credit	0.000*** (0.000)	-0.000 (0.00000)	0.000 (0.000)	0.000 (0.000)	0.000** (0.000)
Sector Size	-0.174*** (0.019)	-0.176** (0.075)	-0.177*** (0.024)	-0.166*** (0.021)	-0.151*** (0.025)
CL	0.932*** (0.123)	0.863* (0.453)	0.853*** (0.150)	1.149*** (0.131)	1.975*** (0.169)
Sector HC	0.361** (0.166)	-0.111 (0.582)	0.379* (0.222)	0.249 (0.169)	0.498*** (0.191)
Sector Productivity	0.074* (0.041)	0.244 (0.155)	0.087 (0.056)	0.054 (0.047)	0.009 (0.059)
Constant	-2.211*** (0.298)	-6.441*** (1.627)	-1.773*** (0.399)	-2.325*** (0.583)	-3.064*** (1.140)
Fixed effects - UF	Yes	Yes	Yes	Yes	Yes
Fixed effects - Activities	Yes	Yes	Yes	Yes	Yes
Observations	99,919	3,065	47,326	36,775	12,753
Pseudo R <sup>2</sup>	0.07	0.15	0.2	0.06	0.07
Log Likelihood	-54,754.510	-1,655.946	-25,881.640	-20,164.810	-6,223.357
Akaike Inf. Crit.	109,761.000	3,529.891	52,013.280	40,575.630	12,668.710

Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Robust standard-errors (clustered at the micro-region and activity level) are in parentheses.

Initial periods (t) are 2009 and 2014 and final (t+5) 2014 and 2019.

Source: own elaboration.