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**IS THERE A LINK BETWEEN FIRMS' EXPORT ACTIVITY AND
ECONOMIC PERFORMANCE IN A SMALL OPEN ECONOMY?
EVIDENCE FROM GREECE**

Abstract:

Even though most of the export benefits *inter alia* refer to high productivity and profitability, the question is whether these performance indicators have been improved solely as a result of export activity or not. As such, in this study, we investigate whether and to what extent export activity could strengthen overall firm performance in terms of the aforementioned crucial measures, productivity and profitability. Moreover, we attempt to determine the impact of the crisis during the recession when firms seek new ways in order to increase and exploit their competitive advantage through exporting activity. As Greece is a very appealing case study due to the recession, we pooled micro-level data from Greek firms operating in all sectors of economy from 2005 to 2017. After extensive research of the literature, the most widely used financial and non-financial variables have been collected for each firm. By using the GMM model approach, the results indicate that high export intensity might strengthen the productivity and profitability of firms, especially if they are young, large in size and they operate in traditional industry sectors.

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Export performance, Economic growth, Financial measures, Greek financial crisis, Panel data, Productivity, Profitability

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